Westfield America Trust 1998

HALF YEAR REPORT

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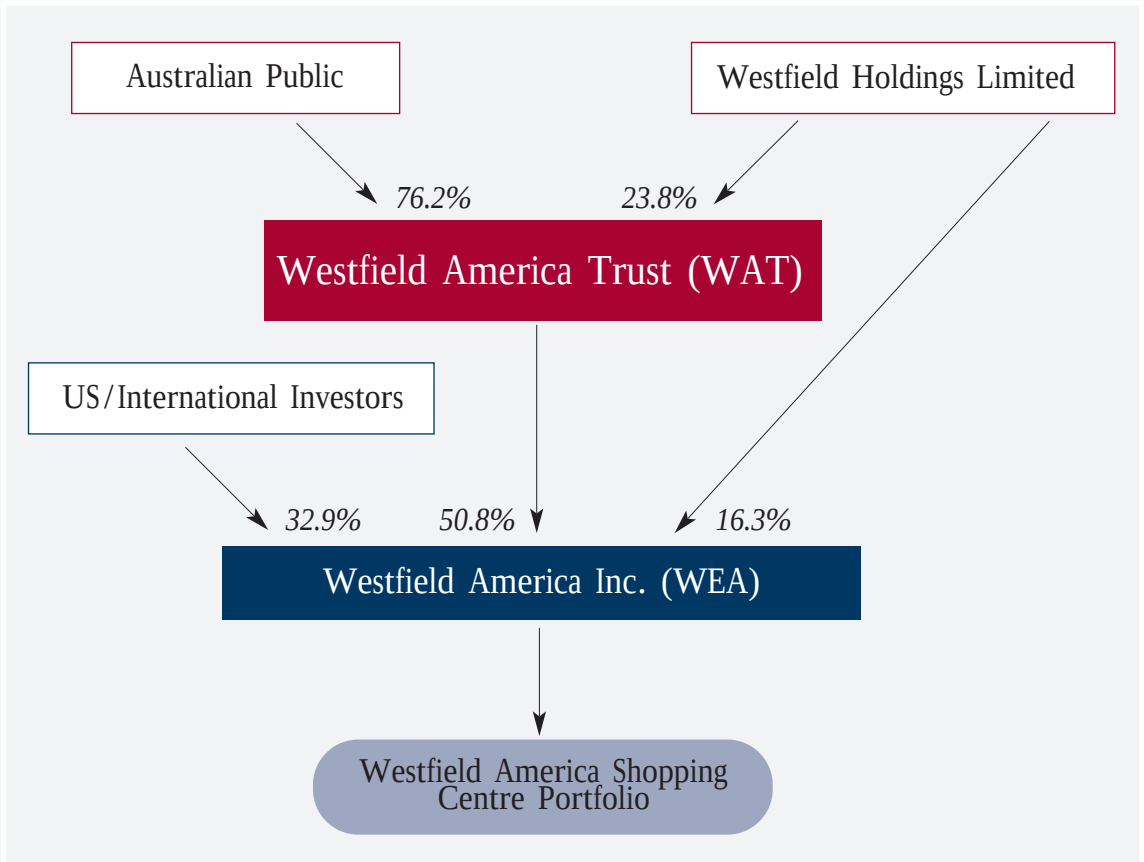
WESTFIELD AMERICA TRUST

Westfield America Trust was listed on the Australian Stock Exchange on 3 July 1996. At 30 June 1998, the Trust's sole investment was a 50.8% interest in Westfield America Inc., a listed U.S. Real Estate Investment Trust which owns a 2.2 million square metre portfolio of 23 regional shopping centres and three power centres located in the major metropolitan areas of seven states in the U.S.



Financial Highlights

Half year ended 30 June 1998

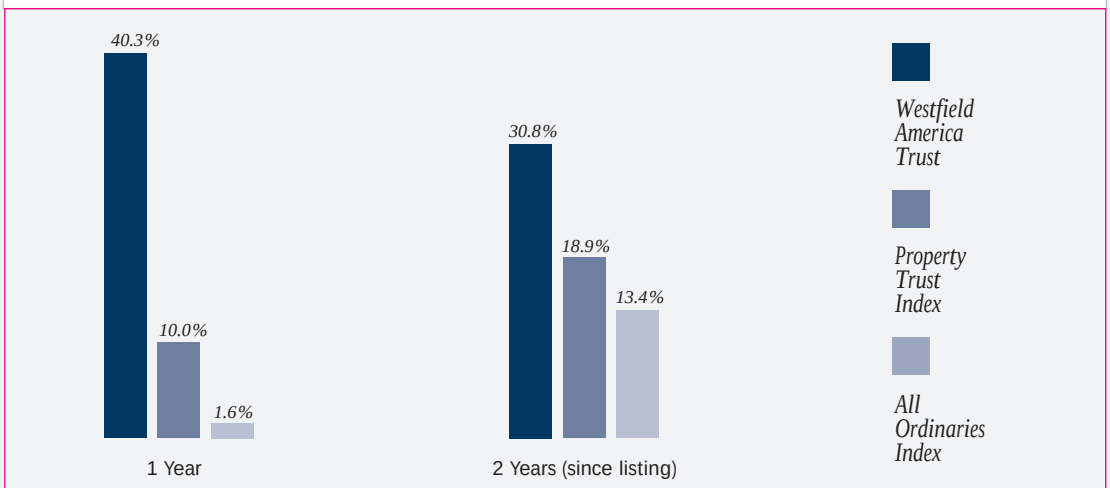
Operating Highlights	Half year ended 30 June 1998			
	US$ Millions	A$ Millions	A$ Cents	% Inc*
Operating profit before tax and abnormal items	32.3	42.0	5.11	5.1%
Less US withholding tax thereon	2.1	2.7		
Operating profit after tax before abnormal items	30.2	39.3	4.78	8.6%
Abnormal items after US withholding tax	38.1	59.3		
Profit after tax	68.3	98.6		
Cash distribution to Unitholders	28.9	37.8	4.6	4.5%

** % Increase over same period last year*

Balance Sheet Highlights	30 June 1998			
	US$ Millions	A$ Millions	A$ Per Unit	% Inc*
Total Assets	2,760.2	4,470.7		44.5%
Net Assets	1,438.9	2,359.5		39.6%
Unitholders' Equity	761.6	1,249.0	$1.38	45.1%

** % Increase over same period last year.*

Compound Annual Rates of Return
to 30 June 1998



† *These returns have been calculated by ASX based on the ASX Accumulation Index adjusted to reflect the earnings per unit pre-withholding tax for which Australian Investors receive a tax credit.*

Westfield Shoppingtown Mission Valley Center
San Diego, California

Westfield America Trust's profit after tax for the six months to 30 June 1998 totalled $39.3 million representing 4.78 cents per unit, an increase of 8.6% on the same period last year.

This profit is based on an average exchange rate for the period of US$0.7642 pursuant to pre-existing hedging arrangements (which expire in December 1998) and is after allowing for US withholding tax, for which Australian investors receive a tax credit.

Westfield America Trust also reported an abnormal profit after tax of $59.3 million resulting from the sale by Westfield America, Inc. of Westfield Holdings Limited shares in April.

The cash distribution to ordinary unitholders is 4.60 cents per unit.

Westfield America Trust is the fourth-largest property trust on the ASX with a market capitalisation at 30 June 1998 of $1.35 billion which represents 6.0% of the Listed Property Trust Index.

Westfield America Trust's sole investment at 30 June 1998 was a 50.8% interest in Westfield America, Inc. which was listed on the New York Stock Exchange in May 1997.

SHOPPING CENTRE OPERATIONS

Total retail sales in the existing Westfield America, Inc. portfolio for the half year to June 1998 were approximately US$1.88 billion. Of this, specialty store sales represented US$741 million which, on a comparable per square metre basis, were 3.8% over the same period last year.

Specialty store space was 93% leased (92% last year), excluding the centres under development.

ACQUISITIONS BUILD THE PORTFOLIO

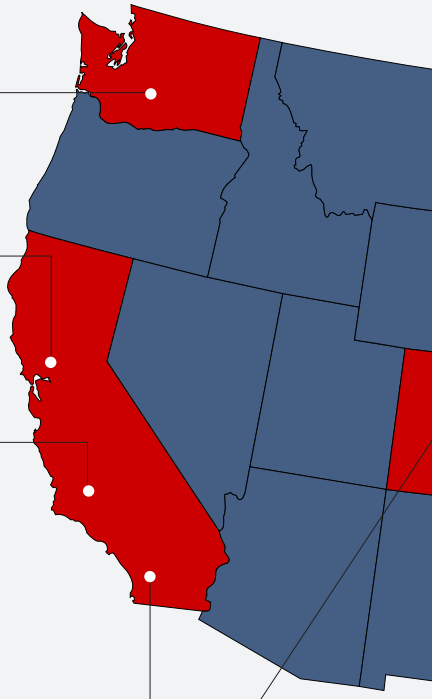
The first six months of 1998 were characterised by a strong focus on building the portfolio through acquisition.

During the period, Westfield America, Inc. announced the acquisition of up to 12 regional and super regional shopping centres from TrizecHahn for approximately US$1.4 billion. The final price to be paid is dependent on the interests ultimately conveyed at closing.

The first settlement of two of these properties in California – Valley Fair in San Jose and University Towne Center in San Diego – occurred on 31 July. Further settlements will take place progressively through the second half of the year.

In addition to the TrizecHahn portfolio, Westfield America, Inc. acquired The Promenade in Los Angeles, California for US$34 million and since June 30, acquired a 60% interest in Independence Mall in Wilmington, North Carolina for US$37 million which has broadened the portfolio into a new metropolitan market.

Your Manager's Report



Washington

Vancouver Mall
◆ Capital Mall

California

Northern California

◆ Downtown Plaza
◆ Oakridge Mall
◆ Solano Mall
◆ Valley Fair*

Los Angeles

Eagle Rock Plaza
Eastland Shopping Center
Plaza at West Covina
The Promenade*
Topanga Plaza
◆ Fox Hills Mall
◆ Los Cerritos Center
◆ Santa Anita Fashion Park

San Diego

Mission Valley Center
Mission Valley Center - West
◆ North County Fair
Plaza Bonita
Plaza Camino Real
◆ Horton Plaza
◆ Parkway Plaza
◆ University Towne Centre*

Colorado

Westland Towne Center

◆ Hahn Acquisitions
* Acquired since 1 January 98

Assuming that Westfield America, Inc. ultimately acquires interests in all 12 TrizecHahn centres, Westfield America, Inc. will have a portfolio of 38 major shopping centres, encompassing 3.3 million square metres of gross leasable area in the States of California, Colorado, Connecticut, Maryland, Missouri, New York, North Carolina and Washington. This would position Westfield America Inc. as the fourth largest shopping mall REIT in the US and the largest owner of regional shopping centres in California.

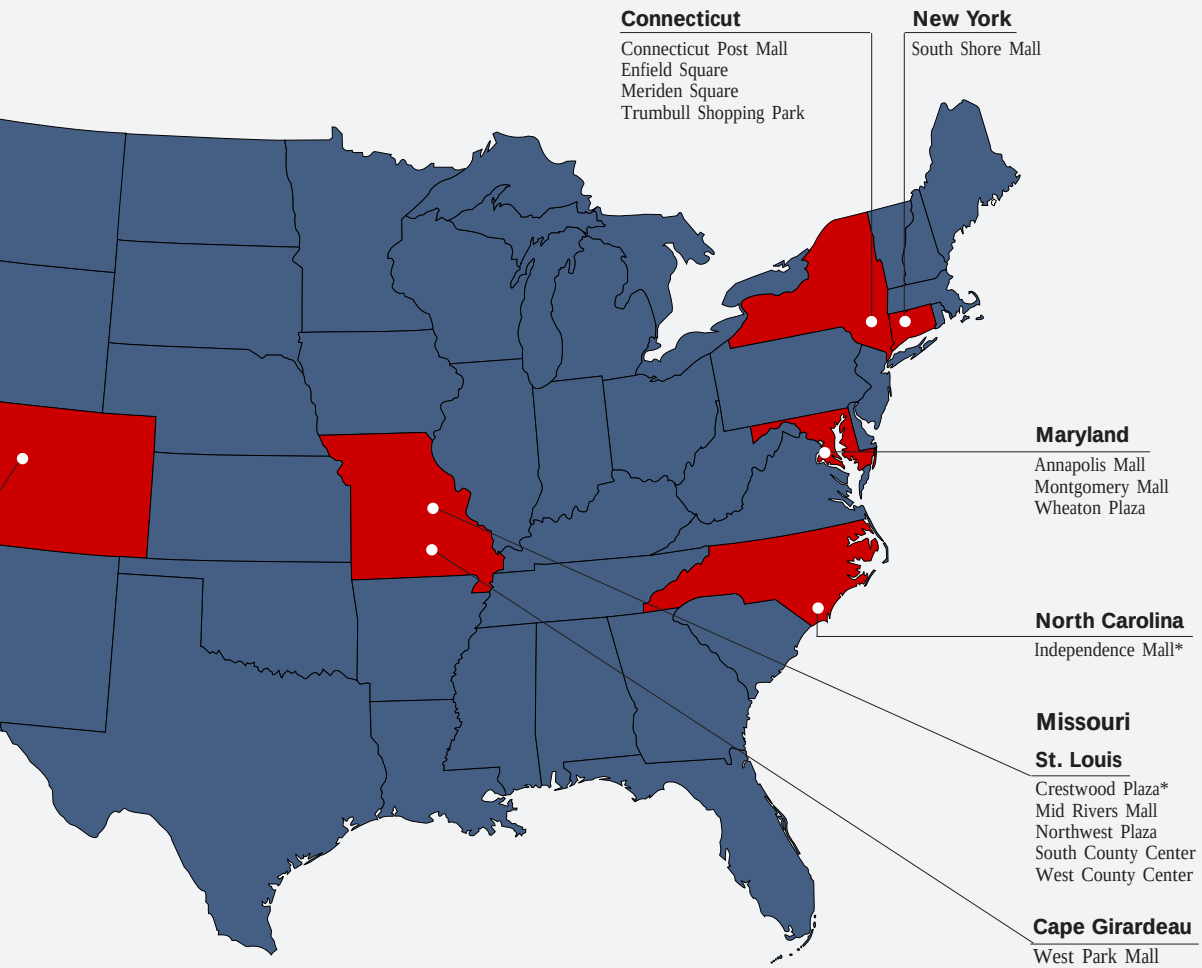
The Directors of the Manager of Westfield America Trust expect the recent and planned acquisitions will result in further growth in the medium to long term.

CAPITAL RAISINGS

A number of steps were taken during the period to arrange the capital required for the TrizecHahn acquisition.

- *Sale of Westfield Holdings Options*

  In April, Westfield America, Inc. realised US$100 million from the sale of shares in Westfield Holdings Limited which it received following the exercise of options.



- *Issue of Capital Notes*

  In June, Westfield America, Inc. issued $465 million (approximately US$300 million) of subordinated Capital Notes to Australian investors. The Capital Notes are to be repaid in three equal instalments in June 2001, 2002 and 2003.

  Concurrently with the issue of the Capital Notes, Westfield America Trust entered into a subscription agreement with Westfield America, Inc. to purchase approximately US$300 million of Westfield America, Inc.'s common stock in three equal instalments in June 2001, 2002 and 2003 using the proceeds from its recently underwritten issue of Partly Paid Units.

- *Issue of Preference Shares*

  In June, Westfield America, Inc. announced plans to issue convertible preference shares to a major REIT investor, Security Capital Preferred Growth Incorporated (US$75 million), Westfield America Trust (US$75 million) and Westfield Holdings Limited (US$50 million). This capital raising totalling US$200 million was completed on 12 August 1998.

  On 30 June, Westfield America Trust issued 82.2 million ordinary units, the proceeds of which (following the approval by unitholders) were used to subscribe for the US$75 million convertible preference shares mentioned above.

Your Manager's Report

REDEVELOPMENT PROGRAM

In the first half of the year, construction began on three redevelopment projects.

- At Annapolis Mall in Maryland, a new Lord & Taylor department store is being added along with 1,100 square metres of specialty store space. The project is expected to be completed before the end of the year.
- South Shore Mall in Bayshore, New York is also adding a new Lord & Taylor department store which is scheduled to open in the second half of the year.
- Mission Valley Center – West, San Diego, California is being redeveloped into a power centre with 19,500 square metres of retail space. The project is scheduled for completion by the end of September.

Additionally, approvals have been obtained to expand Meriden Square in Meriden, Connecticut to include a 8,400 square metre Lord & Taylor store and an additional 6,500 square metres of specialty store space. Construction will begin in the second half of 1998, and is planned to be completed in the second half of 1999.

UNITS ON ISSUE

Westfield America Trust made two issues of units during the six months to 30 June 1998 to raise $585 million.

- The Trust issued 82.2 million ordinary units on 30 June 1998 for $118 million. As a result, the total number of ordinary units on issue at 30 June 1998 was 904.6 million representing a market capitalisation of $1.35 billion.
- The Trust also issued 9.3 million partly paid units on 19 June 1998. When fully paid in June 2001, 2002 and 2003, these partly paid units will convert into $467 million of ordinary units at a 5% discount to the prevailing market price.

INCOME DISTRIBUTION

The distribution of 4.60 cents per unit for the six months ended 30 June 1998 is payable on 28 August 1998 with books having closed for distribution on 14 August 1998.

Only the ordinary units, ASX code WFA, are entitled to this distribution.

STATUTORY INFORMATION

Information relating to principal activities, investment and borrowing policy, interest in a property, units held by the Manager or its associates and fees and charges paid to the Manager or its associates are set out on page 37.

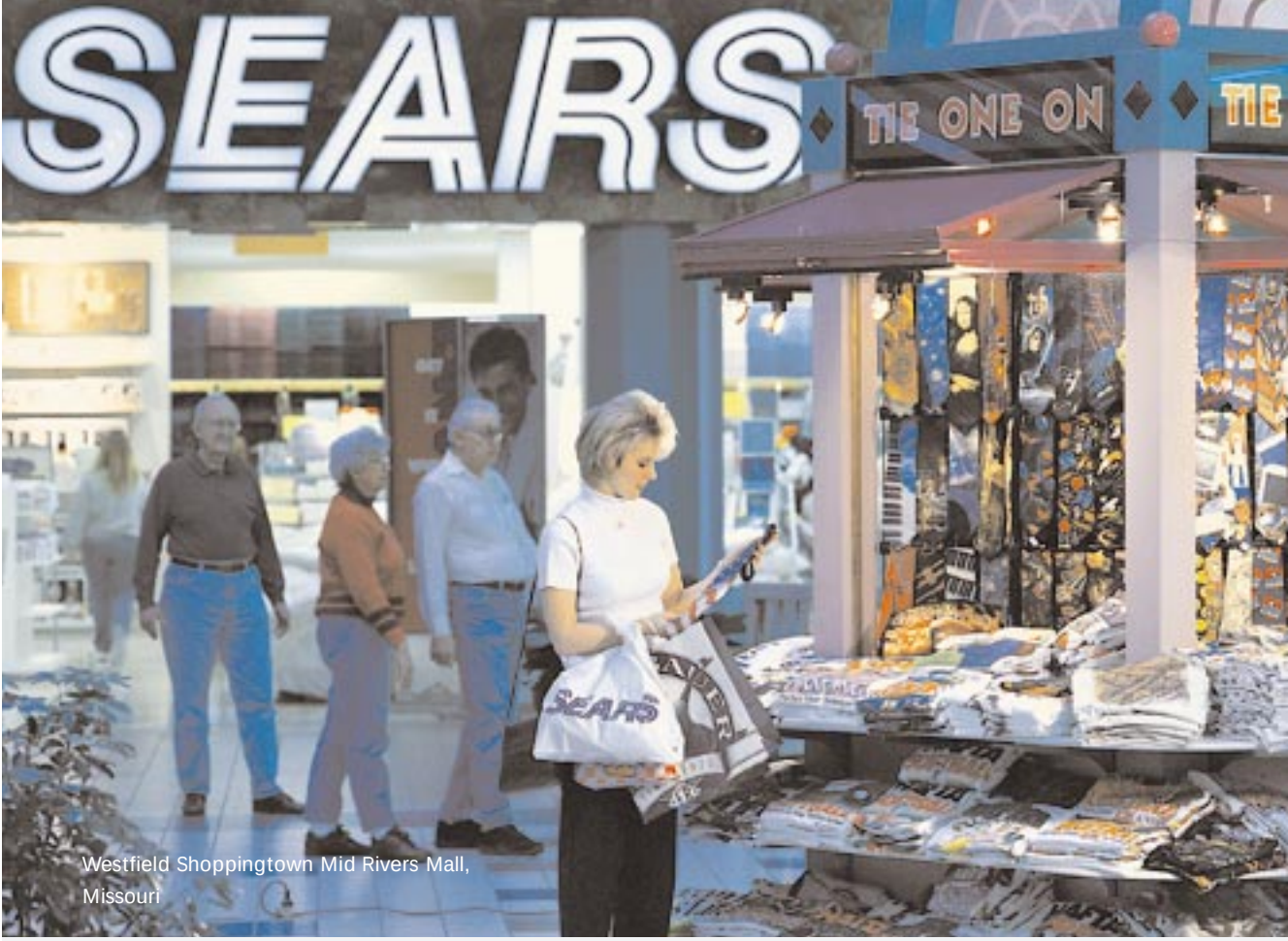
THE FUTURE

The Manager believes that, barring unforeseen circumstances in the second half, 1998 earnings should again exceed the forecasts set out in the 1996 prospectus.

Further growth is expected in 1999 and beyond following the acquisition of the TrizecHahn centres. Additionally, as the existing currency hedge arrangements terminate at the end of this year, the Manager also anticipates increased unitholder distributions in 1999 based on the lower Australia/US dollar exchange rate currently prevailing.

These factors combine to lay a firm foundation for the future growth of Westfield America Trust.

Frank P Lowy AO Chairman
14 August 1998



Westfield Shoppingtown Mid Rivers Mall, Missouri

Westfield America Trust Statutory & Financial Statements

For the six months ended 30 June 1998

Consolidated Distribution Statement

for the six months ended 30 June 1998

	Note 1(n)	30 June 1998 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	30 June 1997 A $ Million
Operating Revenue					
Shopping Centre Rental and Other Income		**147.5**	107.1	**228.0**	138.5
Department Store Lease Rental		**4.0**	4.2	**6.1**	5.4
Interest Income		**7.6**	2.2	**11.7**	2.8
Other Income		**0.1**	0.0	**0.2**	0.0
		159.2	113.5	**246.0**	146.7
Less - Operating Expenditure					
Rates, Taxes and Other Property Outgoings	14	**48.7**	33.6	**75.3**	43.4
Interest and Other Borrowing Costs	15	**40.0**	28.1	**61.9**	36.3
Department Store Debt Interest Expense	15	**2.6**	2.7	**4.0**	3.5
Legal Fees		**0.3**	0.3	**0.5**	0.4
Auditors' Remuneration	16	**0.2**	0.2	**0.3**	0.3
Trustee Fees		**0.0**	0.0	**0.0**	0.1
Manager's Service Fee	24	**–**	–	**–**	–
Advisor's Service Fee	24	**3.0**	–	**4.6**	–
Other Expenses		**0.9**	0.3	**1.2**	0.3
		95.7	65.2	**147.8**	84.3
Currency Translation Gains/(Losses)		**–**	–	**(7.8)**	(0.5)
Earnings Before Abnormal Items and Withholding Tax		**63.5**	48.3	**90.4**	61.9
Less - United States Withholding Tax thereon		**2.5**	3.5	**3.4**	4.5
Earnings Before Abnormal Items and After Withholding Tax		**61.0**	44.8	**87.0**	57.4
Abnormal Items:					
Gain on sale of Westfield Holdings Limited shares		**84.5**	–	**130.0**	–
Less - United States Withholding Tax thereon		**6.0**	–	**8.1**	–
Abnormal Items after Withholding Tax	4	**78.5**	–	**121.9**	–
Earnings After Abnormal Items and Withholding Tax but before Outside Equity Interests	27	**139.5**	44.8	**208.9**	57.4
Less - Earnings After Abnormal Items and Withholding Tax Attributable to Outside Equity Interests		**71.2**	16.9	**110.3**	21.9
Earnings After Withholding Tax and Outside Equity Interests		**68.3**	27.9	**98.6**	35.5
Less - Distribution Payable		**28.9**	27.9	**37.8**	35.5
Retained Earnings brought forward		**0.0**	0.0	**0.0**	0.0
Retained Earnings carried forward		**39.4**	0.0	**60.8**	0.0

The accompanying notes form an integral part of these Financial Statements.
Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

Consolidated Distribution Statement (continued)

for the six months ended 30 June 1998

	Note 1(n)	30 June 1998 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	30 June 1997 A $ Million
Earnings attributable to members of Westfield America Trust					
Operating profit before Abnormal Items		**32.3**	30.8	**42.0**	39.2
Less - United States Withholding Tax thereon		**2.1**	2.9	**2.7**	3.7
Operating profit after Withholding Tax but before Abnormal Items		**30.2**	27.9	**39.3**	35.5
Abnormal Items after Withholding Tax		**38.1**	–	**59.3**	–
Operating profit after Abnormal Items and Withholding Tax Attributable to members of Westfield America Trust		**68.3**	27.9	**98.6**	35.5
Basic Earnings per Unit (cents)	17	cents	cents	cents	cents
Operating profit before Abnormal Items		**3.92**	3.81	**5.11**	4.86
Less - United States Withholding Tax thereon		**0.25**	0.36	**0.33**	0.46
Operating profit after Withholding Tax but before Abnormal Items		**3.67**	3.45	**4.78**	4.40
Abnormal Items after Withholding Tax		**4.64**	–	**7.21**	–
Operating profit after Abnormal Items and Withholding Tax Attributable to members of Westfield America Trust		**8.31**	3.45	**11.99**	4.40
Distribution per Unit (cents)		**3.52**	3.45	**4.60**	4.40

The accompanying notes form an integral part of these Financial Statements.
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Consolidated Statement of Constitution of the Fund

as at 30 June 1998

	Note 1(n)	30 June 1998 US $ Million	31 Dec 1997 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	31 Dec 1997 A $ Million	30 June 1997 A $ Million
CURRENT ASSETS							
Cash		**113.5**	40.1	45.6	**179.6**	57.6	59.4
Bank Bills Receivable		**10.6**	11.1	11.4	**13.8**	14.2	14.5
Receivables	2	**12.4**	12.2	7.2	**20.2**	18.8	9.6
Other	3	**5.7**	9.3	3.4	**9.2**	13.2	4.5
TOTAL CURRENT ASSETS		**142.2**	72.7	67.6	**222.8**	103.8	88.0
NON-CURRENT ASSETS							
Investments	4,5	**2,586.6**	2,443.9	2,224.8	**4,196.9**	3,748.3	2,982.3
Other	6	**31.4**	20.3	17.7	**51.0**	31.1	23.8
TOTAL NON-CURRENT ASSETS		**2,618.0**	2,464.2	2,242.5	**4,247.9**	3,779.4	3,006.1
TOTAL ASSETS		**2,760.2**	2,536.9	2,310.1	**4,470.7**	3,883.2	3,094.1
CURRENT LIABILITIES							
Accounts payable	7	**75.7**	78.3	67.0	**113.7**	112.4	87.4
Borrowings	8	**195.0**	7.7	7.9	**316.3**	11.8	10.5
TOTAL CURRENT LIABILITIES		**270.7**	86.0	74.9	**430.0**	124.2	97.9
NON-CURRENT LIABILITIES							
Accounts payable	9	**11.1**	7.7	7.8	**18.0**	11.8	10.5
Borrowings	10	**1,039.5**	1,158.5	966.2	**1,663.2**	1,776.8	1,295.2
TOTAL NON-CURRENT LIABILITIES		**1,050.6**	1,166.2	974.0	**1,681.2**	1,788.6	1,305.7
TOTAL LIABILITIES		**1,321.3**	1,252.2	1,048.9	**2,111.2**	1,912.8	1,403.6
NET ASSETS		**1,438.9**	1,284.7	1,261.2	**2,359.5**	1,970.4	1,690.5
EQUITY INTERESTS							
Chief Entity Interest							
Units on Issue	11	**728.5**	658.3	658.3	**938.6**	822.4	822.4
Reserves	12	**(6.2)**	(6.2)	(16.1)	**249.6**	177.8	38.1
Retained Earnings		**39.4**	0.0	0.0	**60.8**	0.0	0.0
Equity attributable to Unitholders of Westfield America Trust		**761.7**	652.1	642.2	**1,249.0**	1,000.2	860.5
Outside Equity Interests							
Capital on Issue		**583.3**	583.2	583.2	**741.4**	741.2	741.2
Reserves		**49.4**	49.4	39.6	**300.0**	229.0	93.6
Retained Earnings		**44.5**	(0.0)	(3.8)	**69.1**	(0.0)	(4.8)
Total Outside Equity Interests	13	**677.2**	632.6	619.0	**1,110.5**	970.2	830.0
TOTAL EQUITY INTERESTS		**1,438.9**	1,284.7	1,261.2	**2,359.5**	1,970.4	1,690.5

The accompanying notes form an integral part of these Financial Statements.
Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

Notes to and forming part of the Financial Statements

for the six months ended 30 June 1998

1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

(a) Basis of Preparation

The Half Year Financial Statements are general purpose financial reports which have been prepared in accordance with the requirements of the Corporations Law, applicable Australian Accounting Standards including AASB 1029: Half Year Accounts and Consolidated Accounts and other mandatory professional reporting requirements.

The Half Year Financial Statements are to be read in conjunction with the Annual Financial Statements of Westfield America Trust for the period ended 31 December 1997 and any public announcement made by Westfield America Trust and its controlled entities during the half year ended 30 June 1998 in accordance with the continuous disclosure obligations arising under the Corporations Law.

For the purpose of the Half Year Financial Statements, the half year has been treated as a discrete reporting period.

The Financial Statements have been prepared on the basis of historical cost accounting and do not purport to disclose current values except where, in accordance with the requirements of the Trust Deed, Group property investments are revalued at intervals of not more than three years. Such valuations are reflected in the Financial Statements of the Group. On the occasion of a revaluation of a Group property investment by way of independent valuation, the remaining assets in that class are reviewed and appropriate adjustments made for any material increment or decrement. For the property investments in which the Group has co-ownership, the Financial Statements reflect the Group's proportionate share of the valuation.

The accounting policies adopted are in all material respects consistent with those applied in the previous year except as otherwise stated.

(b) Principles of Consolidation

The Consolidated Financial Statements include the results, assets and liabilities of the Chief Entity, Westfield America Trust ("WAT"), its controlled entities and partially owned property partnerships as noted below. WAT, its controlled entities and partially owned property partnerships are collectively referred to as the "Economic Entity" or the "Group".

The Group has significant co-ownership interests in a number of properties. These interests are held through partial ownership in property partnerships, including ownership interests above 50% but less than 100%. For presentation purposes, in order to reflect the substance of the investments in the underlying properties, the Group's proportionate share of each partnership's income and expenditure, and its assets and liabilities have been included in their respective classifications in these Financial Statements.

Where entities adopt accounting policies which differ from those of the Chief Entity, adjustments have been made so as to ensure consistency with the Chief Entity, and compliance with applicable Australian Accounting Standards and the provisions of the Trust Deed constituting the Chief Entity. All intercompany balances and transactions, and unrealised profits arising from intra-economic entity transactions, have been eliminated in full.

The names of the controlled entities and the proportionately consolidated property partnerships, and the Group's beneficial interests therein are set out in Note 26.

(c) Foreign Currencies

Translation of foreign currency transactions

Transactions in foreign currencies of entities within the economic entity are converted to local currency at the rate of exchange ruling at the date of the transaction or at hedge rates where applicable.

Amounts payable to and by the entities within the economic entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the period.

Except for certain specific hedges and hedges of foreign currency operations, all resulting exchange differences arising on settlement or re-statement are brought to account in determining the earnings before withholding tax and outside

1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Foreign Currencies (continued)

equity interest for the financial year, and transaction costs, premiums and discounts on forward currency contracts are deferred and amortised over the life of the contract.

Hedges of foreign operations

Exchange gains and losses on instruments which hedge investments in foreign operations are taken to the foreign currency translation reserve on consolidation.

Translation of accounts of foreign operations

All overseas operations are deemed self-sustaining as each is financially and operationally independent of WAT. The Financial Statements of overseas operations are translated to Australian dollars using the current rate method, except for hedged assets and liabilities which are translated at the applicable currency hedge contract rates. Any exchange differences are taken directly to the foreign currency translation reserve.

Applicable exchange rates

Where relevant, assets and liabilities of the Group's United States operations, have been translated into Australian Dollars at the period end exchange rates applicable for the period, June 1998 A$1.00 = US$0.6163, December 1997 A$1.00 = US$0.6520 and June 1997 A$1.00 = US$0.7460. Revenue has been translated into Australian Dollars at the average rate applicable for the period, 1998 A$1.00 = US$0.6468 and 1997 A$1.00 = US$0.7736. Operating profit attributable to members and tax expense reflect the US Dollar hedge rates applicable for the period, 1998 A$1.00 = US$0.6845 and 1997 A$1.00 = US$0.7846.

(d) Revenue

Revenue from rents and other property income (net of bad debts and additional provision for doubtful debts) is brought to account on an accruals basis, and if not received at balance date, is reflected in the Statement of Constitution of the Fund as receivables. Percentage rent is brought to account on an accruals basis. Recoveries from tenants are recognised as income in the period the applicable costs are accrued. Profits from the sale of property investments are recognised upon settlement and after contractual duties are completed.

(e) Expenditure

Expenditure including rates, taxes and other outgoings, is brought to account on an accruals basis.

(f) Income Tax

Under current Income Tax legislation, WAT is not liable to income tax including capital gains tax, provided it distributes an amount at least equal to its distributable income (as defined in the Trust Deed) for the period.

Westfield America, Inc. ("WEA"), is a Real Estate Investment Trust ("REIT") for United States Income Tax purposes. To maintain its REIT status, WEA is required to distribute at least 95% of its taxable income to shareholders and meet certain asset and income tests as well as certain other requirements. As a REIT, WEA will generally not be liable for federal and state income taxes in the United States, provided it satisfies the necessary requirements and distributes 100% of its taxable income to its shareholders.

(g) Investments

Property Investments

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution of value of the building content due to the effluxion of time.

Accordingly, the buildings and any component thereof (including plant and equipment) are not depreciated.

Property investments are not revalued to an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Other Investments

Investment in participating mortgage loan is carried at the lower of cost or expected recoverable amount.

(h) Replacements and Maintenance

The Group's major source of income is from its investment in shopping centre properties. Whilst no provision for maintenance is made in respect of these properties, in order to maintain these assets to provide the existing economic return, regular revaluations are made which take into account the need for future repairs, replacements and maintenance of a substantial but infrequent nature which are capitalised when incurred.

Expenditures for repairs and maintenance that are not of a substantial or infrequent nature are expensed as incurred. Certain of these costs are chargeable to the tenants as provided in their leases and such reimbursements are included in operating revenue.

(i) Properties Subject to Development

Expenses capitalised to properties subject to development include the cost of acquisition, development, rates, taxes and borrowing costs during development. After development is completed, borrowing costs and other holding charges are expensed as incurred.

(j) Cash Flows

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily convertible to cash, net of bank overdrafts.

(k) Financial Information Expressed in United States Dollars

In addition to all amounts reported in Australian Dollars ("A$" or "$"), where appropriate, United States Dollar amounts or equivalent amounts ("US$") have also been provided in respect of certain assets, liabilities, revenue and expenditure.

The amounts reported in US$ have been taken directly from the US$ denominated Financial Statements of the relevant controlled entities, or, where a currency other than the US$ is the functional currency, have been translated into US$ at the exchange rate ruling at the date of the transaction and at the hedge rate in respect of specifically hedged items.

(l) Derivatives and Other Financial Instruments

The Group's activities expose it to changes in interest rates and foreign exchange rates. There are policies and limits approved by the Board of Directors of the Manager in respect of the usage of derivative and other financial instruments to hedge cashflows subject to interest rate and currency risks. Management reports to the Board on a regular basis as to the monitoring of the policies in place.

The accounting policies adopted in relation to material financial instruments are detailed as follows:

Recognised Financial Instruments

(i) Financial Assets

Investment in Participating Mortgage Loan

The investment is carried at the lower of cost or recoverable amount. Interest income is recognised on an accruals basis. Terms and conditions are set out in Note 4.

(ii) Financial Liabilities

Bank Loans, Notes Payable and Capital Notes

Bank loans, notes payable and capital notes are carried at cost. Interest is charged as an expense on an accruals basis. Terms and conditions are set out in Note 10.

Unrecognised Derivative Financial Instruments

Interest Rate Swaps

The Group enters into interest rate swap agreements that are used to convert certain variable interest rate borrowings to fixed interest rates. The swaps are entered into with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised in the profit and loss account on an accruals basis over the life of the hedges. Terms and conditions are set out in Note 22.

1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

(l) Derivatives and Other Financial Instruments (continued)

Cross Currency Swaps and Forward Exchange Contracts

The Group enters into cross currency swaps and forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at predetermined exchange rates. The objective is to minimise the risk of exchange rate fluctuation in respect of a proportion of its foreign currency denominated liabilities and future earnings covering the period to 31 December 1998. The Group policy is not to hedge earnings beyond 31 December 1998. The value of the cross currency swaps and forward exchange contracts are brought to account in conjunction with the liabilities and income to which the hedges relate. Terms and conditions are set out in Note 22.

The Group does not trade in derivative financial instruments for speculative purposes. In conjunction with its advisers, the Group continually reviews its exposures and upgrades its treasury policies and procedures. Revenues or expenses arising from changes in the net market values of hedging instruments are matched and brought to account with the carrying values and income streams of the underlying assets or liabilities.

Disclosure of Market Values

The applicable market rates and prices in respect of derivative and other financial instruments are set out in the notes to these Financial Statements.

(m) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except as stated in Note 1(i). Borrowing costs include:

(i) interest on bank overdrafts and short-term and long-term borrowings;
(ii) interest on derivative financial instruments which hedge underlying borrowings;
(iii) amortisation of discounts or premiums relating to borrowings;
(iv) amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
(v) finance lease charges.

(n) Rounding

Pursuant to ASC Class Order 97/1006, the amounts shown in the Financial Statements have, unless otherwise indicated, been rounded to the nearest tenth of a million dollars.

(o) Comparative Figures

Where appropriate, certain comparative figures have been restated in order to comply with the current year's presentation of the Financial Statements.

	30 June 1998 US $ Million	31 Dec 1997 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	31 Dec 1997 A $ Million	30 June 1997 A $ Million
2 RECEIVABLES						
Trade debtors	**17.5**	16.4	14.0	**28.4**	25.2	18.7
Less: Provision for doubtful debts (refer below)	**(5.1)**	(4.2)	(6.8)	**(8.2)**	(6.4)	(9.1)
	12.4	12.2	7.2	**20.2**	18.8	9.6
Movement in Provision for doubtful debts						
Balance at beginning of the period	**(4.2)**	(7.2)	(7.2)	**(6.8)**	(11.0)	(9.6)
Bad debts previously provided for written-off during the period	**0.5**	3.8	2.3	**0.9**	5.9	3.1
Bad and doubtful debts expensed/ provided for during the period	**(1.4)**	(0.8)	(1.9)	**(2.3)**	(1.3)	(2.6)
Balance at end of the period	**(5.1)**	(4.2)	(6.8)	**(8.2)**	(6.4)	(9.1)
3 OTHER CURRENT ASSETS						
Prepayments and deferred costs	**5.7**	9.3	3.4	**9.2**	13.2	4.5
	5.7	9.3	3.4	**9.2**	13.2	4.5
4 INVESTMENTS						
Shopping centre, department stores and other property investments, based on independent valuations and acquisition costs, as appropriate (refer Notes 5a and 5b)	**2,412.3**	2,271.8	2,015.1	**3,914.2**	3,484.4	2,701.2
Shopping centre construction in progress, at cost	**29.3**	11.9	49.5	**47.4**	18.3	66.3
	2,441.6	2,283.7	2,064.6	**3,961.6**	3,502.7	2,767.5
Investment in participating mortgage loan at cost*	**145.0**	145.0	145.0	**235.3**	222.3	194.4
Investment in unlisted options over listed securities at cost**	**–**	15.2	15.2	**–**	23.3	20.4
	2,586.6	2,443.9	2,224.8	**4,196.9**	3,748.3	2,982.3

* In May 1997, WEA made a non-recourse participating mortgage loan of US$145.0 million to Westfield Holdings Limited ("WHL") entities. This loan has a ten year term and is secured by a first ranking mortgage over WHL's 50% indirect interest in the Garden State Plaza shopping centre. It may be prepaid without penalty after the fifth year of the term. The loan carries interest at a fixed rate of 8.5% p.a. together with a further participating interest of up to 2.5% p.a. based on the yield of the Garden State Plaza shopping centre.

** In April 1998, WEA exercised its options over 49 million ordinary shares in WHL, as a consequence of which WEA received 20,339,066 ordinary shares in WHL. WEA subsequently sold those shares, realising net proceeds of US$99.7 million ($154.4 million) resulting in an abnormal profit after withholding tax of US$78.5 million ($121.9 million). The funds realised from exercising the options will be used in the financing of the acquisition of the TrizecHahn portfolio.

5a DETAILS OF INVESTMENTS (expressed in US$)

Freehold Property	Ownership Interest %	Total Original Acquisition Cost US $ Million	Capital Expenditure Since Acquisition US $ Million	Independent Valuation US $ Million	Capital Expenditure Since Valuation US $ Million	Book Value 30 June 98 US $ Million
Annapolis Mall	30.0%	54.3	0.2	54.0 (i)	0.2	**54.2**
Annapolis Mall	70.0%	133.0	0.4	n/a	–	**133.4**
Connecticut Post Mall	100.0%	139.2	0.9	147.4 (i)	0.9	**148.3**
Crestwood Plaza (refer (a) below)	100.0%	106.4	0.1	n/a	–	**106.5**
Eagle Rock Plaza	100.0%	24.7	0.8	24.6 (i)	0.8	**25.4**
Eastland Center	100.0%	23.2	26.3	23.1 (i)	26.3	**49.4**
Enfield Square	100.0%	43.5	1.8	50.6 (ii)	0.3	**50.9**
Meriden Square	50.0%	50.9	1.4	50.7 (i)	1.4	**52.1**
Meriden Square	50.0%	54.5	1.4	n/a	–	**55.9**
Mid Rivers Mall	100.0%	74.5	14.4	94.1 (ii)	0.6	**94.7**
Mission Valley Center East & West	75.8%	85.6	17.3	85.2 (i)	17.3	**102.5**
Montgomery Mall	100.0%	230.6	0.2	233.1 (ii)	–	**233.1**
North County Fair	45.0%	41.0	0.6	40.8 (i)	0.6	**41.4**
Northwest Plaza	100.0%	111.1	0.1	n/a	–	**111.2**
Plaza Bonita	100.0%	122.2	0.6	126.3 (ii)	0.1	**126.4**
Plaza Camino Real	40.0%	43.0	0.3	42.8 (i)	0.3	**43.1**
South County Center	100.0%	69.6	1.1	69.3 (i)	1.1	**70.4**
South Shore Mall	100.0%	142.8	30.0	151.2 (i)	29.9	**181.1**
The Plaza at West Covina	100.0%	135.7	4.7	135.0 (i)	4.7	**139.7**
The Promenade (refer (b) below)	100.0%	33.5	0.6	n/a	–	**34.1**
Topanga Plaza	42.0%	62.6	0.5	62.3 (i)	0.5	**62.8**
Trumbull Shopping Park	100.0%	181.8	5.8	190.5 (i)	5.8	**196.3**
Vancouver Mall	50.0%	41.0	1.5	40.8(i)	1.5	**42.3**
West County Center	100.0%	44.3	0.0	44.1 (i)	–	**44.1**
West Park Mall	100.0%	49.1	0.9	49.6 (ii)	0.3	**49.9**
Westland Towne Center	100.0%	25.1	0.2	25.0 (i)	0.2	**25.2**
Wheaton Plaza	68.0%	51.2	0.8	n/a	–	**52.0**
Shopping centre investments		2,174.4	112.9		92.8	**2,326.4**
Department stores and other property investments		91.3	(5.4)	91.3(i)	(5.4)	**85.9**
Shopping centre, department stores and other property investments		2,265.7	107.5		87.4	**2,412.3**

(i) The independent valuations were carried out by Landauer Associates Inc. (Registered Valuers) as at 31 March 1996. The independent valuations as at 31 March 1996 were used to revalue the property portfolio to fair value on 1 July 1996 following the acquisition by WAT of its initial interest in WEA. The valuations were performed predominantly using the discounted cash flow valuation method, with use of the comparable sale and replacement method where appropriate according to the nature of the property. These investments are carried at their latest revalued amount inclusive of capital expenditure since the latest valuation and will be revalued as part of the Groups' current progressive three year revaluation program.

(ii) The independent valuations were carried out by Landauer Associates Inc. (Registered Valuers) as at 31 December 1997. The valuations were performed predominantly using the discounted cash flow valuation method, with use of the comparable sale and replacement method where appropriate according to the nature of the property. These investments have been revalued as part of the Group's current progressive three year revaluation program.

(a) On 15 January 1998, WEA acquired a 100% interest in Crestwood Plaza, St Louis, Missouri for US$106.4 million.

(b) On 27 June 1998, WEA acquired a 100% interest in The Promenade, Los Angeles, California for US$33.5 million.

5b DETAILS OF INVESTMENTS
(expressed in A$ - Translated at the period end exchange rate of A$1.00 = US$0.6163)

Freehold Property	Ownership Interest %	Total Original Acquisition Cost A $ Million	Capital Expenditure Since Acquisition A $ Million	Independent Valuation A $ Million	Capital Expenditure Since Valuation A $ Million	Book Value 30 June 98 A $ Million
Annapolis Mall	30.0%	88.1	0.3	87.6 (i)	0.3	**87.9**
Annapolis Mall	70.0%	215.8	0.7	n/a	–	**216.5**
Connecticut Post Mall	100.0%	225.8	1.5	239.2 (i)	1.5	**240.7**
Crestwood Plaza (refer (a) below)	100.0%	172.7	0.1	n/a	–	**172.8**
Eagle Rock Plaza	100.0%	40.1	1.4	39.9 (i)	1.4	**41.3**
Eastland Center	100.0%	37.7	42.6	37.5 (i)	42.6	**80.1**
Enfield Square	100.0%	70.6	2.9	82.1 (ii)	0.4	**82.5**
Meriden Square	50.0%	82.6	2.3	82.2 (i)	2.3	**84.5**
Meriden Square	50.0%	88.4	2.3	n/a	–	**90.7**
Mid Rivers Mall	100.0%	120.8	23.4	152.7 (ii)	0.9	**153.6**
Mission Valley Center East & West	75.8%	138.9	28.1	138.2 (i)	28.1	**166.3**
Montgomery Mall	100.0%	374.0	0.3	378.2 (ii)	–	**378.2**
North County Fair	45.0%	66.5	1.0	66.2 (i)	1.0	**67.2**
Northwest Plaza	100.0%	180.2	0.2	n/a	–	**180.4**
Plaza Bonita	100.0%	198.3	1.0	204.9 (ii)	0.1	**205.0**
Plaza Camino Real	40.0%	69.8	0.4	69.4 (i)	0.4	**69.8**
South County Center	100.0%	113.0	1.8	112.4 (i)	1.8	**114.2**
South Shore Mall	100.0%	231.7	48.6	245.3 (i)	48.6	**293.9**
The Plaza at West Covina	100.0%	220.2	7.7	219.0 (i)	7.7	**226.7**
The Promenade (refer (b) below)	100.0%	54.4	1.0	n/a	–	**55.4**
Topanga Plaza	42.0%	101.6	0.9	101.1 (i)	0.9	**102.0**
Trumbull Shopping Park	100.0%	294.9	9.5	309.1 (i)	9.5	**318.6**
Vancouver Mall	50.0%	66.5	2.5	66.2 (i)	2.5	**68.7**
West County Center	100.0%	71.9	0.1	71.6 (i)	0.1	**71.7**
West Park Mall	100.0%	79.7	1.5	80.5 (ii)	0.4	**80.9**
Westland Towne Center	100.0%	40.8	0.3	40.6 (i)	0.3	**40.9**
Wheaton Plaza	68.0%	83.1	1.2	n/a	–	**84.3**
Shopping centre investments		3,528.1	183.6		150.8	**3,774.8**
Department stores and other property investments		148.1	(8.7)	148.1(i)	(8.7)	**139.4**
Shopping centre, department stores and other property investments		3,676.2	174.9		142.1	**3,914.2**

(i) The independent valuations were carried out by Landauer Associates Inc. (Registered Valuers) as at 31 March 1996. The independent valuations as at 31 March 1996 were used to revalue the property portfolio to fair value on 1 July 1996 following the acquisition by WAT of its initial interest in WEA. The valuations were performed predominantly using the discounted cash flow valuation method, with use of the comparable sale and replacement method where appropriate according to the nature of the property. These investments are carried at their latest revalued amount inclusive of capital expenditure since the latest valuation and will be revalued as part of the Groups' current progressive three year revaluation program.

(ii) The independent valuations were carried out by Landauer Associates Inc. (Registered Valuers) as at 31 December 1997. The valuations were performed predominantly using the discounted cash flow valuation method, with use of the comparable sale and replacement method where appropriate according to the nature of the property. These investments have been revalued as part of the Group's current progressive three year revaluation program.

(a) On 15 January 1998, WEA acquired a 100% interest in Crestwood Plaza, St Louis, Missouri for $172.7 million.

(b) On 27 June 1998, WEA acquired a 100% interest in The Promenade, Los Angeles, California for $54.4 million.

Notes to and forming part of the Financial Statements

for the six months ended 30 June 1998

	30 June 1998 US $ Million	31 Dec 1997 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	31 Dec 1997 A $ Million	30 June 1997 A $ Million
6 OTHER NON CURRENT ASSETS						
Other debtors and deferred costs	**31.4**	20.3	17.7	**51.0**	31.1	23.8
	31.4	20.3	17.7	**51.0**	31.1	23.8
7 ACCOUNTS PAYABLE						
Trade creditors	**12.3**	19.2	8.2	**21.3**	29.4	11.1
Other creditors and accruals	**16.2**	14.8	17.2	**26.3**	22.8	23.0
United States withholding tax payable	**5.2**	–	–	**7.1**	–	–
Distribution payable to Unitholders	**28.9**	31.1	27.8	**37.8**	40.0	35.5
Dividend and distribution payable to Outside Equity Interests	**13.1**	13.2	13.8	**21.2**	20.2	17.8
	75.7	78.3	67.0	**113.7**	112.4	87.4
8 BORROWINGS						
Bank overdrafts - unsecured	**–**	–	0.4	**–**	–	0.5
Notes payable - secured (refer b below)	**195.0**	7.7	7.5	**316.3**	11.8	10.0
	195.0	7.7	7.9	**316.3**	11.8	10.5
9 ACCOUNTS PAYABLE						
Other creditors and accruals	**11.1**	7.7	7.8	**18.0**	11.8	10.5
	11.1	7.7	7.8	**18.0**	11.8	10.5
10 BORROWINGS						
Bank loans - unsecured (refer a below)	**234.0**	463.0	266.0	**379.7**	710.0	356.6
Notes payable - secured (refer b below)	**504.4**	695.5	700.2	**818.5**	1,066.8	938.
Capital Notes - unsecured, subordinated (refer c below)	**301.1**	–	–	**465.0**	–	–
	1,039.5	1,158.5	966.2	**1,663.2**	1,776.8	1,295.2

(a) Non-current bank loans represent loans under an unsecured interest only, floating rate facility with a consortium of banks maturing in May 2000.

(b) Current and non-current notes payable represent amounts owing to banks and insurance companies. These are primarily fixed rate notes secured by mortgages against the shopping centres, department stores and leases thereon, and other property investments on a non-recourse basis and are for terms expiring on varying dates as set out in Note 10 (e) below. They are primarily interest only notes, payable monthly.

(c) Pursuant to the Prospectus dated 15 May 1998, 155 million unsecured subordinated Capital Notes were issued by WEA during the period for a cash consideration of $3.00 each. They have a face value of $3.00 each and carry a fixed coupon rate of 8.01% payable semi-annually on 30 June and 31 December each year with the first coupon accruing from 1 July 1998. The Capital Notes will be repaid in three equal instalments of principal on 29 June 2001, 28 June 2002 and 30 June 2003.

10 BORROWINGS (continued)

	30 June 1998 US $ Million	31 Dec 1997 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	31 Dec 1997 A $ Million	30 June 1997 A $ Million
(d) Details of secured current and non-current notes payable in relation to each property is set out below:						
Meriden Square	**–**	–	25.0	**–**	–	33.5
Mid Rivers Mall	**53.2**	53.2	53.2	**86.3**	81.6	71.3
Mission Valley Center East & West	**56.9**	56.9	32.8	**92.2**	87.1	43.8
Montgomery Mall	**121.5**	121.5	121.5	**197.2**	186.4	162.9
North County Fair	**22.2**	22.3	22.4	**36.1**	34.2	30.0
Plaza Bonita	**59.0**	59.0	59.0	**95.8**	90.5	79.1
Plaza Camino Real	**14.7**	14.7	14.8	**23.8**	22.6	19.8
South County Center	**28.7**	28.7	28.7	**46.6**	44.1	38.5
The Plaza at West Covina	**60.6**	60.6	60.6	**98.4**	93.0	81.3
Topanga Plaza	**23.9**	24.0	24.1	**38.8**	36.9	32.4
Trumbull Shopping Park	**138.7**	140.9	142.9	**225.0**	216.1	191.6
Vancouver Mall	**15.7**	15.8	15.9	**25.5**	24.2	21.3
West County Center	**16.8**	16.8	16.8	**27.2**	25.7	22.5
West Park Mall	**14.2**	14.2	14.2	**23.0**	21.7	19.0
Department stores	**73.3**	74.6	75.8	**118.9**	114.5	101.6
Total secured notes payable (current and non-current)	**699.4**	703.2	707.7	**1,134.8**	1,078.6	948.6
(e) The maturity profiles in respect of notes payable are set out below:						
Due within one year	**195.0**	7.7	7.5	**316.3**	11.8	10.0
Due between one and five years	**368.4**	557.6	619.6	**597.9**	855.4	830.6
Due after five years	**136.0**	137.9	80.6	**220.6**	211.4	108.0
	699.4	703.2	707.7	**1,134.8**	1,078.6	948.6

11 ISSUED CAPITAL

Ordinary Units on Issue

Ordinary Units of $1.00 each Fully Paid	Number of Units						
Balance at beginning of the period	822,362,378	**658.3**	501.8	501.8	**822.4**	626.9	626.9
Placement - net of costs allotment date - 2 January 1997	–	**–**	130.5	130.5	**–**	163.0	163.0
allotment date - 30 June 1998	82,200,000	**69.0**	–	–	**114.4**	–	–
Exercise of Ordinary Options allotment date - 18 May 1997	–	**–**	26.0	26.0	**–**	32.5	32.5
Balance at end of the period	904,562,378	**727.3**	658.3	658.3	**936.8**	822.4	822.4

11 ISSUED CAPITAL (continued)

			30 June 1998 US $ Million	31 Dec 1997 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	31 Dec 1997 A $ Million	30 June 1997 A $ Million
Partly Paid Units on Issue								
Partly Paid Units of $50.20 each		NUMBER						
Partly Paid to $0.20 each		OF UNITS						
Balance at beginning of the period		–	**–**	–	–	**–**	–	–
Public offering during the period (allotment date - 19 June 1998)	Series A	3,100,000	**0.4**	–	–	**0.6**	–	–
	Series B	3,100,000	**0.4**	–	–	**0.6**	–	–
	Series C	3,100,000	**0.4**	–	–	**0.6**	–	–
Balance at end of the period		9,300,000	**1.2**	–	–	**1.8**	–	–

Options on Issue

	NUMBER OF OPTIONS			
Special Options - Series A	940,000	convertible to	117,426,609	WAT fully paid $1.00 Units
Special Options - Series B	270,000	convertible to	36,000,000	WAT fully paid $1.00 Units
			153,426,609	

Partly Paid Units - $466.86 million

Subject to payment of the final instalment of $50.00 for each of the series, the Series A, Series B and Series C Partly Paid Units will convert into Ordinary Units in WAT on 29 June 2001, 28 June 2002 and 30 June 2003 respectively at a 5% discount to the market price for Ordinary Units at that time. The funds raised on conversion, totalling $466.86 million, have been underwritten by Warburg Dillon Read Australia Limited and will be used by WAT, pursuant to an agreement dated 29 May 1998, to subscribe for additional Common Shares in WEA at a 5% discount to the market price for Common Shares at the time.

At any time up to two days prior to the due date for the final instalment on a series of Partly Paid Units, Westfield America Management Limited, the Manager, has the right to redeem that series by the payment of $2.64 per Partly Paid Unit or by the issue of Ordinary Units to the value of $2.64.

The Partly Paid Units have no distribution entitlement to the income of WAT. The Ordinary Units into which they convert following payment of the final instalment will rank for distribution from 1 July following each respective conversion date.

Prior to the payment of the final instalment, the Partly Paid Units have no voting entitlement at meetings of unitholders in WAT except where the Corporations Law or the Listing Rules requires that Partly Paid Units carry an entitlement to vote, in which case there is a voting entitlement based on the proportion of the paid up amount on each unit to 95% of the then market value of Ordinary Units in WAT.

The Partly Paid Units are quoted as stapled securities, with each stapled security consisting of one Series A, one Series B and one Series C Partly Paid Unit. At 30 June 1998, there were 9,300,000 Partly Paid Units representing 3,100,000 stapled securities on issue which would have been convertible to 329,377,734 WAT $1.00 Units as at 30 June 1998, based on a conversion price of $35.42 per unit.

Special Options

Each Series A Special Option entitles the holder to subscribe for 124.92 fully paid $1.00 Units in exchange for either US$100.00 ($162.26) or 1 WEA Preference Share. The Series A Special Options are exercisable during the thirteen year period ending on 1 July 2011. At 30 June 1998, there were 940,000 Series A Special Options on issue which are convertible to 117,426,609 WAT $1.00 units.

Each Series B Special Option entitles the holder the right to subscribe for 133.33 fully paid $1.00 Units in exchange for either US$100.00 ($162.26) or 1 WEA Preference Share. The Series B Special Options are exercisable during the thirteen year period ending on 21 May 2012. At 30 June 1998, there were 270,000 Series B Special Options on issue which are convertible to 36,000,000 WAT $1.00 units.

	30 June 1998 US $ Million	31 Dec 1997 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	31 Dec 1997 A $ Million	30 June 1997 A $ Million
12 RESERVES						
Asset Revaluation Reserve	**21.9**	21.9	11.7	**30.2**	30.2	14.7
Asset Reallocation Reserve	**(28.1)**	(28.1)	(27.8)	**(36.3)**	(36.3)	(36.3)
Foreign Currency Translation Reserve	**–**	–	–	**255.7**	183.9	59.7
	(6.2)	(6.2)	(16.1)	**249.6**	177.8	38.1
Movements in Reserves						
Asset Revaluation Reserve						
Balance at beginning of the period	**21.9**	12.4	12.4	**30.2**	15.5	15.5
Transfer upon acquisition by WAT of additional interest in controlled entity	**–**	3.2	3.2	**–**	4.0	4.0
Transfer upon acquisition by WAT of shares in controlled entity previously owned by Outside Equity Interests	**–**	0.6	0.6	**–**	0.8	0.8
Reallocation of attributable asset revaluation reserve upon the issuance of additional equity by controlled entity to Outside Equity Interests	**–**	(4.5)	(4.5)	**–**	(5.6)	(5.6)
Increment on revaluation of property investments	**–**	10.2	–	**–**	15.5	–
Balance at end of the period	**21.9**	21.9	11.7	**30.2**	30.2	14.7
Asset Reallocation Reserve						
Balance at beginning of the period–	**(28.1)**	–	–	**(36.3)**	–	–
Reallocation of attributable net assets upon the issuance of additional equity by controlled entity to Outside Equity Interests	**–**	(28.1)	(27.8)	**–**	(36.3)	(36.3)
Balance at end of the period	**(28.1)**	(28.1)	(27.8)	**(36.3)**	(36.3)	(36.3)
Foreign Currency Translation Reserve						
Balance at beginning of the period	**–**	–	–	**183.9**	3.5	3.5
Exchange differences arising on translation of the Financial Statements of overseas operations	**–**	–	–	**71.8**	180.4	56.2
Balance at end of the period	**–**	–	–	**255.7**	183.9	59.7

	30 June 1998 US $ Million	31 Dec 1997 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	31 Dec 1997 A $ Million	30 June 1997 A $ Million
13 OUTSIDE EQUITY INTERESTS						
Analysis of Outside Equity Interests in controlled entities - Westfield America, Inc.						
Share Capital						
32,218,355 Common Shares (Dec 1997: 32,211,425)	**463.2**	463.1	463.1	**590.3**	590.1	590.1
940,000 Series A Preference Shares (Dec 1997: 940,000)	**94.0**	94.0	94.0	**117.4**	117.4	117.4
270,000 Series B Preference Shares (Dec 1997: 270,000)	**26.0**	26.0	26.0	**33.6**	33.6	33.6
124 Non-Voting Preference Shares (Dec 1997: 124)	**0.1**	0.1	0.1	**0.1**	0.1	0.1
Asset Revaluation Reserve	**21.3**	21.3	11.5	**29.4**	29.4	14.3
Asset Reallocation Reserve	**28.1**	28.1	28.1	**36.3**	36.3	36.3
Foreign Currency Translation Reserve	**–**	–	–	**234.3**	163.3	43.0
Retained Earnings	**44.5**	(0.0)	(3.8)	**69.1**	(0.0)	(4.8)
	677.2	632.6	619.0	**1,110.5**	970.2	830.0
Movements in Outside Equity Interests						
Balance at beginning of period	**632.6**	450.6	450.6	**970.2**	565.8	565.8
Issue of Share Capital						
6,930 Common Shares	**0.1**	–	–	**0.2**	–	–
20,400,000 Common Shares	**–**	274.0	274.0	**–**	354.0	354.0
270,000 Series B Preference Shares	**–**	26.0	26.0	**–**	33.6	33.6
122 Non-Voting Preference Shares	**–**	0.1	0.1	**–**	0.1	0.1
Redemption of Share Capital						
8,151,155 Common shares	**–**	(130.5)	(130.5)	**–**	(163.0)	(163.0)
103 Non-Voting Preference Shares	**–**	(0.1)	(0.1)	**–**	(0.1)	(0.1)
Acquisition by WAT of 1,623,985 Common Shares from Outside Equity Interests	**–**	(26.0)	(26.0)	**–**	(32.6)	(32.6)
Transfer upon acquisition by WAT of additional interest in controlled entity	**–**	(3.2)	(3.2)	**–**	(4.0)	(4.0)
Transfer upon acquisition by WAT of shares in controlled entity previously owned by Outside Equity Interests	**–**	(0.6)	(0.6)	**–**	(0.8)	(0.8)
Reallocation of asset revaluation reserve upon the issuance of additional equity by controlled entity to Outside Equity Interests	**–**	4.5	4.5	**–**	5.6	5.6

	30 June 1998 US $ Million	31 Dec 1997 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	31 Dec 1997 A $ Million	30 June 1997 A $ Million
13 OUTSIDE EQUITY INTERESTS (continued)						
Reallocation of attributable net assets upon the issuance of additional equity by controlled entity to Outside Equity Interests	**–**	28.1	28.1	**–**	36.3	36.3
Increment on revaluation of property investments	**–**	9.7	–	**–**	15.1	–
Exchange differences arising on translation of the Financial Statements of overseas operations	**–**	–	–	**71.0**	160.2	39.9
Earnings After Withholding Tax Attributable to Outside Equity Interests	**71.2**	48.3	16.9	**110.3**	64.8	21.9
Dividends Paid and Payable to Outside Equity Interests	**(26.7)**	(48.3)	(20.8)	**(41.2)**	(64.8)	(26.7)
Balance at end of the period	**677.2**	632.6	619.0	**1,110.5**	970.2	830.0

The Series A Preference Shares were issued on commercial terms that are substantially similar to WEA's Common Shares. These Preference Shares were issued concurrent with the restructure of WEA upon the acquisition by WAT of a controlling interest therein during July 1996. The Series B Preference Shares were also issued on commercial terms that are substantially similar to WEA's Common Shares. The Series B Preference Shares were issued concurrent with the issuance of an additional 20.4 million Common Shares by WEA upon the completion of its Initial Public Offering in May 1997.

The holders of the 940,000 Series A and the 270,000 Series B Preference Shares are entitled to an annual dividend per share equivalent to the greater of US$8.50 ($13.14) or the annual dividend paid in respect of a Common Share. The holder of each Preference Share is entitled to be paid US$100.00 ($162.26) upon liquidation. The Series A and Series B Preference Shares may be redeemed at the option of WEA any time after 1 July 2003 and 21 May 2004 respectively, upon payment of US$100.00 ($162.26) per share together with any accrued dividend.

2 Non-Voting Preference Shares are entitled to an annual dividend of US$35.00 ($54.11) per share. The holder of each Non-Voting Preference Share is entitled to be paid US$550.00 ($892.42) upon liquidation. The Non-Voting Preference Shares may be redeemed at the option of WEA any time after 20 February 1999 upon payment of US$550.00 ($892.42) per share together with any accrued dividend.

122 Non-Voting Preference Shares are entitled to an annual dividend of US$50.00 ($77.30) per share. The holder of each Non-Voting Preference Share is entitled to be paid US$550.00 ($892.42) upon liquidation. The Non-Voting Preference Shares may be redeemed at the option of WEA any time after 31 January 2002 upon payment of US$550.00 ($892.42) per share together with any accrued dividend.

	30 June 1998 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	30 June 1997 A $ Million
14 RATES, TAXES AND OTHER PROPERTY OUTGOINGS				
Rates, Taxes and Other Property Outgoings include the following charges/(credits):				
Property Maintenance and Repairs expenses	**4.3**	3.4	**6.6**	4.5
Amortisation of deferred costs	**0.7**	0.1	**1.1**	0.2
Real Estate Management Fees paid and payable to the Manager or its Associates	**6.1**	4.2	**9.4**	5.4
Expense Reimbursement to the Manager or its Associates #	**8.2**	7.4	**12.6**	9.6
Included in the above amounts are Real Estate Management Fees and Reimbursible Expenses payable at 30 June 1998 of:	**0.7**	0.8	**1.1**	1.1
15 INTEREST AND OTHER BORROWING COSTS				
Interest costs	**42.6**	31.8	**65.9**	41.2
Other borrowing costs	**0.6**	0.1	**0.9**	0.1
Less: amounts capitalised	**(0.6)**	(1.1)	**(0.9)**	(1.5)
Interest and other borrowing costs expensed	**42.6**	30.8	**65.9**	39.8
16 AUDITORS' REMUNERATION				
Amounts paid or due and payable to:				
Auditors of the Chief Entity: - for audit services	**0.046**	0.070	**0.072**	0.090
- for other services	**–**	0.024	**–**	0.031
Amounts paid or due and payable to: Affiliate of the Auditors of the Chief Entity: - for audit services	**0.161**	0.123	**0.249**	0.160
- for other services	**–**	–	**–**	–
	0.207	0.217	**0.321**	0.281

In addition to the above, fees amounting to US$0.038 million ($0.059 million) were paid or were payable by the Group during the financial period to an affiliate of the Auditors of the Chief Entity for professional services in respect of the WEA Public Offering of Capital Notes.

17 EARNINGS PER UNIT

Basic Earnings Per Unit

Diluted Earnings Per Unit Before and After Withholding Tax are not materially different to the Basic Earnings Per Unit.

Basic Earnings Per Unit Before Withholding Tax is calculated by dividing the Earnings Before Withholding Tax attributable to WAT by the weighted average number of Ordinary Units on issue during the period. Basic Earnings Per Unit After Withholding Tax is calculated by dividing the Earnings After Withholding Tax by the weighted average number of ordinary units on issue during the period.

Diluted Earnings Per Unit Before and After Withholding Tax is calculated by dividing the Earnings Before Withholding Tax attributable to WAT and the Distributable Income, respectively, in respect of the relevant financial period as adjusted for earnings arising from proceeds on issue of potential Ordinary Units by the weighted average number of Ordinary and potential Ordinary Units outstanding during that financial period.

The weighted average number of Ordinary Units for the financial period was 822,816,522 units (June 1997: 806,212,251 units).

Potential Ordinary Units include:

(a) unexpired Special Options convertible to Ordinary Units. At 30 June 1998, there were 153,426,609 potential Ordinary Units on issue of which none were considered to be materially dilutive.

(b) Partly Paid Units convertible to Ordinary Units. At 30 June 1998, there were 329,377,734 potential Ordinary Units on issue of which none were considered to be materially dilutive.

	30 June 1998 US $	31 Dec 1997 US $	30 June 1997 US $	30 June 1998 A $	31 Dec 1997 A $	30 June 1997 A $
18 NET ASSET BACKING PER UNIT						
Net Asset Backing Per Unit	**0.84**	0.79	0.78	**1.38**	1.22	1.05

Net asset backing per unit is calculated by dividing the Equity Attributable to Unitholders of Westfield America Trust by the number of Ordinary Units on issue at the end of the financial period.

19 CONTINGENT LIABILITIES

The Redevelopment Agency of the City of West Covina issued US$45.0 million ($73.0 million) of special tax assessment municipal bonds (Original Bonds) on 1 March 1990, to finance land acquisition for the expansion of the shopping center and additional site improvements. During 1996, the Agency refinanced the Original Bonds by issuing certain serial and term bonds with a total face value of US$51.2 million ($83.1 million) (New Bonds) proceeds of which were used to redeem the Original Bonds. Special taxes levied against the property, which are recoverable from tenants pursuant to the terms of their leases, together with incremental property tax, incremental sales tax, and park and ride revenues will be used to pay the principal and interest on the New Bonds and the administrative expense of the Agency. Principal and interest payments on the New Bonds commenced in 1996 and will continue to 2022. The Group has the contingent obligation to satisfy any shortfall in annual debt service requirements after tenant recoveries.

The Group is involved in several lawsuits in the normal course of business. However, management believes that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Group.

The Group also has contingent liabilities, estimated at US$9.0 million ($14.6 million) (December 1997 US$8.1 million ($12.5 million) and June 1997 US$15.2 million ($20.4 million)), arising from obligations in respect of the performance of works pursuant to lease, construction and development commitments.

	30 June 1998 US $ Million	31 Dec 1997 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	31 Dec 1997 A $ Million	30 June 1997 A $ Million
20 CAPITAL EXPENDITURE COMMITMENTS						
Expenditure contracted but not provided for:						
Due within one year	**1,425.1**	55.4	38.3	**2,312.4**	85.0	51.3
Due after one year	**–**	–	–	**–**	–	–
	1,425.1	55.4	38.3	**2,312.4**	85.0	51.3

On 6 April 1998, WEA signed an agreement for the acquisition of interests in up to 13 shopping centre properties (the "Hahn Portfolio") from TrizecHahn Centers, Inc. ("Hahn") for a maximum purchase price of US$1.439 billion (equivalent to $2.335 billion using the period end exchange rate of A$1.00 = US$0.6163) including the assumption of debt. The final price is dependent on the interests ultimately acquired since certain of the properties are owned by joint ventures and are subject to partnership rights, such as rights of first refusal to acquire the property. Such rights have been exercised by Hahn's joint venture partner in respect of The Village at Corte Madera resulting in a reduction to the purchase price of US$48.0 million ($77.9 million). The acquisition of the Hahn Portfolio will close in stages from July 1998 to December 1998.

In addition to the above, capital expenditure commitments also include costs in relation to the redevelopment and expansion of investment properties owned by the Group.

21 UNHEDGED FOREIGN CURRENCY ITEMS

The net assets of the Group are not hedged except for $465.0 million of Australian Dollar denominated liabilities in relation to the Capital Notes which are subject to currency hedge contracts equivalent to US$301.1 million.

22 INTEREST AND CURRENCY HEDGES

	30 June 1998 US $ Million	31 Dec 1997 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	31 Dec 1997 A $ Million	30 June 1997 A $ Million
The Group has entered into fixed interest rate hedges in respect of its borrowings as follows:						
Principal amount of fixed interest rate borrowings	**999.4**	703.2	666.7	**1,598.1**	1,078.6	893.6
Principal amount of floating rate borrowings for which fixed rate hedges have been taken out	**225.0**	225.0	125.0	**365.1**	345.1	167.6
Effective fixed rate borrowings	**1,224.4**	928.2	791.7	**1,963.2**	1,423.7	1,061.2
Effective fixed interest rate borrowings as a proportion of total borrowings	**99%**	80%	81%	**99%**	80%	81%
Average effective fixed rate (inclusive of margins) of hedges and borrowings, including delayed start hedges	**7.64%**	7.46%	7.69%	**7.64%**	7.46%	7.69%
Average remaining term (in months) of fixed rate hedges and borrowings, including delayed start hedges	**91**	93	60	**91**	93	60

The average commercial borrowing rate at 30 June 1998 for similar types of borrowings and hedging arrangements is 7.40% (7.38% at 31 December 1997).

In addition to the above, WEA has to date entered into fixed interest rate swaps with notional principal totalling US$880.0 million at an average rate of 6.95% p.a. and an average remaining term of 91 months to hedge the floating rate borrowings that will fund future obligations. The average commercial borrowing rate at 30 June 1998 for similar types of hedging arrangements is 6.80%.

		30 June 1998 Contracts Exercisable Within 12 months	31 Dec 1997 Contracts Exercisable Within 12 months	31 Dec 1997 Contracts Exercisable Between 13 and 18 months	30 June 1997 Contracts Exercisable Within 12 months	30 June 1997 Contracts Exercisable Between 13 and 24 moonths
Forward exchange contracts (1)	to receive A $ Million	**53.2**	76.1	24.3	78.1	57.9
	to pay US $ Million	**(40.6)**	(58.7)	(18.5)	(60.8)	(44.3)
Cross currency swaps (2)	to receive A $ Million	**465.0**	–	–	–	–
	to pay US $ Million	**(301.1)**	–	–	–	–

(1) The Chief Entity has entered into currency hedges in respect of a substantial proportion of the dividends (net of withholding tax) and distributions that are forecast to be receivable from its controlled entities in US$ in respect of the period to 31 December 1998.

These forward exchange contracts are not recognised on the balance sheet until the underlying transactions are recorded. The average forward exchange rate for the above contracts is A$1.00 = US$0.7645 (A$1.00 = US$0.7686 at 31 December 1997). The average forward exchange rate at 30 June 1998 for contracts with similar maturity profiles was A$1.00 = US$0.6150 (A$1.00 = US$0.6566 at 31 December 1997).

22 INTEREST AND CURRENCY HEDGES (continued)

(2) WEA has entered into a cross currency swap to hedge against the currency risk in relation to interest and capital repayments associated with the issue of Capital Notes to Australian investors which are denominated in Australian Dollars.

These cross currency swaps are recognised on the balance sheet in conjunction with the underlying liabilities to which the hedges relate. The exchange rate in relation to the above contracts is A$1.00 = US$0.6475. The exchange rate at 30 June 1998 for a contract with a similar maturity profile was A$1.00 = US$0.6163.

Credit Risk

The Group's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

In relation to unrecognised financial assets, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. As at 30 June 1998 the Group's maximum credit risk exposure in relation to these was US$nil ($nil) (US$0.1 million ($0.2 million) at 31 December 1997).

In accordance with the policies determined by the board of the Manager, credit risk is spread among a number of counterparties. The counterparties to derivative financial instruments and fixed interest rate borrowings consist of a number of prime financial institutions.

23 SUBSEQUENT EVENTS

On 25 June 1998, WEA announced that it would be issuing a further US$200.0 million in preference share capital in relation to the long-term funding for the acquisition of the Hahn Portfolio. As part of that issue, approval was given at a general meeting of Unitholders held on 10 August 1998 for WAT to subscribe for US$75.0 million of Series D Cumulative Convertible Redeemable Preference Shares in WEA (refer Note 24).

Since the end of the financial period, WEA acquired the first 2 of 12 shopping centres in the Hahn Portfolio comprising a 50% interest in Valley Fair, San Jose, California and a 100% interest in University Towne Center, San Diego, California for US$332.0 million ($538.7 million). Since the end of the financial period, WEA also acquired a 60% interest in Independence Mall, Wilmington, North Carolina for US$37.4 million.

24 RELATED PARTY TRANSACTIONS

Related party transactions that occurred during the financial period are set out below unless already disclosed elsewhere in these Financial Statements.

(i) Exercise of Westfield Holdings Limited Options by Westfield America, Inc.

On 27 April 1998, WEA exercised its options over 49.0 million ordinary shares in Westfield Holdings Limited (WHL), which had been issued in connection with the listing of WEA on the New York Stock Exchange in May 1997. As a consequence of the exercise of those options, WEA received 20,339,066 ordinary shares in WHL. WEA subsequently sold those ordinary shares, realising net proceeds of US$99.670 million ($154.374 million).

(ii) Issue of Partly Paid Units and Agreement to Subscribe for Additional Common Shares in Westfield America, Inc.

On 19 June 1998, in accordance with Unitholder approval obtained at a General Meeting of WAT Unitholders held on 29 May 1998, Westfield America Management Limited as manager of WAT (Manager) issued 9.3 million Partly Paid Units of $50.20 each in WAT, with a total face value of $466.860 million. The Partly Paid Units were issued in three series which, subject to payment of the

final instalments, convert into fully paid ordinary WAT units in June 2001, 2002 and 2003 at a 5% discount to the prevailing market price for ordinary WAT units at those times. A total of $155.000 million is payable by way of the final instalments on each series of Partly Paid Units.

On 29 May 1998, in accordance with WAT Unitholder approval obtained at a General Meeting of Unitholders held on 22 April 1998, the Manager and Perpetual Trustee Company Limited as trustee of WAT ("WAT Trustee") also entered into an agreement with WEA under which the WAT Trustee agreed to use the proceeds received from payment of the final instalments of the Partly Paid Units to subscribe for additional shares of Common Stock in WEA ("WEA Common Stock") in June 2001, 2002 and 2003. This additional WEA Common Stock will be acquired at a 5% discount to the volume weighted average for WEA Common Stock traded on New York Stock Exchange on the trading day prior to the date of subscription.

(iii) Agreement to Subscribe for Series D Cumulative Convertible Redeemable Preference Shares in Westfield America, Inc.

On 12 August 1998, following Unitholder approval obtained at a General Meeting held on 10 August 1998, the WAT Trustee completed the acquisition of US$75.000 million of Series D Cumulative Convertible Redeemable Preference Shares in WEA ("Preference Shares"). On that date, WHL also completed the acquisition of US$50.000 million of Preference Shares.

The Preference Shares were issued at a price of US$180.00 each and are not quoted on the New York Stock Exchange or any other stock exchange. If holders of the WEA Common Stock vote in favour of a proposition to permit the Preference Shares to convert into WEA Common Stock, each Preference Share held by WAT will convert into WEA Common Stock at any time at the option of the WAT Trustee. Initially, each Preference Share will convert into ten shares of WEA Common Stock. This conversion ratio is subject to customary anti-dilution adjustments. Dividends on each Preference Share will be equal to the greater of 8.5% per annum or the dividend payable on the number of shares of WEA Common Stock into which the Preference Share is then convertible. If WEA ceases to qualify to be taxed as a real estate investment trust ("REIT"), such dividends will be increased by a factor of 2.5.

The Preference Shares are redeemable at the option of WEA at 100% of face value at any time after 12 August 2008. In the usual course, at any time following 12 August 2008, if the market price of WEA Common Stock is at or below the conversion price, each Preference Share held by WAT will be redeemable for cash or WEA Common Stock at the option of the WAT Trustee at 100% of face value (including all accrued but unpaid dividends). In certain very unusual circumstances, they are also redeemable at the option of the WAT Trustee: (A) in circumstances where WEA ceases to be a REIT, at 115% of face value (including all accrued but unpaid dividends); and (B) in circumstances causing a change in control of WEA, at 105% of face value (including all accrued but unpaid dividends).

If WEA is wound up, each Preference Share will carry a right to participate in the capital of WEA in the amount of US$180.00, ranking ahead of the rights of the holders of WEA Common Stock but behind all creditors and holders of other equity securities in WEA (unless the terms of those equity securities provide otherwise). The Preference Shares carry no right to vote unless the vote relates to the rights of the Preference Share.

24 RELATED PARTY TRANSACTIONS (continued)

(iv) Other

(a) Property management fees amounting to US$6.052 million ($9.357 million) (US$4.179 million ($5.402 million) for the period ended 30 June 1997) were payable under normal commercial terms and conditions to the WHL Group in respect of the current financial period.

(b) During the financial period, WEA paid under normal commercial terms and conditions, US$18.685 million ($28.889 million) (US$22.829 million ($29.510 million) for the period ended 30 June 1997) to the WHL Group in respect of expansion and redevelopment costs.

(c) During the financial period, the Group received interest amounting to US$7.090 million ($10.961 million) (US$1.369 million ($1.770 million) for the period ended 30 June 1997) in respect of the participating mortgage loan to WHL Group entities.

(d) Advisory and Manager's Service Fees

	30 June 1998 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	30 June 1997 A $ Million
Advisory Fee paid or due and payable to Associates of the Manager	**2.966**	–	**4.586**	–
Manager's Service Fee paid or due and payable to the Manager	**–**	–	**–**	–

WEA has engaged Westfield U.S. Advisory L.P. (Advisor) to provide information, advice and assistance to WEA and to undertake certain duties and responsibilities on behalf of, and subject to, the supervision of WEA. The Advisor will be paid an annual Advisory Fee equal to the lesser of 0.55% of the net equity value of WEA, or, 25% of the annual Funds From Operations of WEA in excess of a base amount of Funds From Operations as adjusted from time to time to reflect new issues of common stock. The term "Funds From Operations" means net income/(loss) (computed in accordance with generally accepted accounting principles in the United States) ("GAAP") excluding gains (or losses) from debt restructuring and sales of property, plus real estate related depreciation and amortisation and after adjustments for consolidated partnerships and joint ventures.

WAT and Westfield America Management Limited (Manager) entered into an agreement whereby WAT will be managed by the Manager for which the Manager will be paid an annual fee of 0.55% of the net asset value of WAT. In addition, the Manager has agreed that this fee payable by WAT will be reduced by an amount equivalent to the proportion of the Advisory Fee paid by WEA to the Advisor which is attributable to WAT's ownership interest in WEA.

The Manager and the Advisor agreed at the time of the listing of WAT to forgo the entitlement to their Service Fees for the period from 28 March 1996, the inception of WAT, to 31 December 1997. In addition, the Manager has agreed to forgo its entitlement to the Service Fee, being the amount in excess of WAT's ownership interest proportion of the Advisory Fee paid by WEA to the Advisor, for the period ended 30 June 1998.

25 FINANCIAL REPORTING BY SEGMENTS

The Group operates solely as a retail property investor in the United States.

26 DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND PROPORTIONATELY CONSOLIDATED PROPERTY OWNING ASSOCIATE ENTITIES

Name of Entity	Notes	Interest Beneficial %	Interest Consolidated %
Chief Entity			
Westfield America Trust	ad	100.00	100.00
Consolidated Controlled Entities			
Westfield America, Inc.	bde	50.76	100.00
Westfield America G.P., Inc.	bde	50.76	100.00
Westfield America M.S., Inc.	bde	50.76	100.00
Westfield America of Meriden Square, Inc.	bde	50.76	100.00
Westfield America of Annapolis, Inc.	bde	50.76	100.00
Westfield America of Bonita, Inc.	bde	50.76	100.00
Westfield America of Missouri, Inc.	bde	50.76	100.00
Westfield America of Vancouver, Inc.	bde	50.76	100.00
Westfield America of West Covina, Inc.	bde	50.76	100.00
Westfield America of Wheaton, Inc.	bde	50.76	100.00
WEA Annapolis, Inc.	bde	50.76	100.00
WEA Crestwood Plaza Limited Liability Corporation	bde	50.76	100.00
WEA CT Houses Limited Liability Corporation	bde	50.76	100.00
WEA Meriden Square Limited Liability Corporation	bde	50.76	100.00
WEA Meriden Square No.2 Limited Liability Corporation	bde	50.76	100.00
WEA Meriden Square No.3 Limited Liability Corporation	bde	50.76	100.00
WEA Meriden Square, Inc.	bde	50.76	100.00
WEA NY Houses Limited Liability Corporation	bde	50.76	100.00
Annapolis Mall Limited Liability Corporation	bde	50.76	100.00
CMF, Inc.	bde	50.76	100.00
Connecticut Post Mall Limited Liability Corporation	bde	50.76	100.00
Connecticut Post Mall No.2 Limited Liability Corporation	bde	50.76	100.00
Eagle Rock Plaza Limited Liability Corporation	bde	50.76	100.00
Eagle Rock Properties, Inc.	bde	50.76	100.00
Eastland Shopping Center Limited Liability Corporation	bde	50.76	100.00
Enfield Square Limited Liability Corporation	bde	50.76	100.00
La Jolla Limited Liability Corporation	bde	50.76	100.00
Mid Rivers Land Limited Liability Corporation	bde	50.76	100.00
Mid Rivers Mall Limited Liability Corporation	bde	50.76	100.00
Mid Rivers Office Development I, Inc.	bde	50.76	100.00
Mission Valley Center Limited Liability Corporation	bde	50.76	100.00
Mission Valley Finance Corporation	bde	50.76	100.00
Montgomery Mall of Maryland Limited Liability Corporation	bde	50.76	100.00
Montgomery Mall Properties, Inc.	bde	50.76	100.00
Northwest Plaza Limited Liability Corporation	bde	50.76	100.00
Plaza Bonita Limited Liability Corporation	bde	50.76	100.00
Plaza Camino Real Limited Liability Corporation	bde	50.76	100.00
Plaza West Covina Limited Liability Corporation	bde	50.76	100.00
Promenade Center Limited Liability Corporation	bde	50.76	100.00
Residential Rental and Investments, Inc.	bde	50.76	100.00
South County Center Limited Liability Corporation	bde	50.76	100.00
South County Post Office Limited Liability Corporation	bde	50.76	100.00
South County Properties, Inc.	bde	50.76	100.00
South Shore Mall Limited Liability Corporation	bde	50.76	100.00
Topanga Center, Inc.	bde	50.76	100.00

26 DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND PROPORTIONATELY CONSOLIDATED PROPERTY OWNING ASSOCIATE ENTITIES (continued)

Name of Entity	Notes	Interest Beneficial %	Interest Consolidated %
Topanga Plaza Limited Liability Corporation	bde	50.76	100.00
Trumbull Mall Limited Liability Corporation	bde	50.76	100.00
Vancouver Mall Limited Liability Corporation	bde	50.76	100.00
WAP HC, Inc.	bde	50.76	100.00
West County Center Limited Liability Corporation	bde	50.76	100.00
West Park Mall, Inc.	bde	50.76	100.00
West Park Mall Limited Liability Corporation	bde	50.76	100.00
West Valley Limited Liability Corporation	bde	50.76	100.00
Westfield Management, Inc.	bde	50.76	100.00
Westfield Mission Valley Corporation	bde	50.76	100.00
Westland Milford Properties, Inc.	bde	50.76	100.00
Westland Partners, Inc.	bde	50.76	100.00
Westland Properties, Inc.	bde	50.76	100.00
Westland Town Center Limited Liability Corporation	bde	50.76	100.00
Wheaton Plaza No.1 Limited Liability Corporation	bde	50.76	100.00
WPI Meriden Square, Inc.	bde	50.76	100.00
Annapolis Mall Limited Partnership	cde	50.76	100.00
Connecticut Post Limited Partnership	cde	50.76	100.00
Montogmery Mall Limited Partnership	cde	50.76	100.00
Meriden Square Partnership	cde	50.76	100.00
Westfield America Investor Limited Partnership	cde	50.76	100.00
Westfield America Limited Partnership	cde	50.76	100.00
West Park Partners Limited Partnership	cde	50.76	100.00
Westland Shopping Centre Limited Partnership	cde	50.76	100.00
Westland South Shore Mall Limited Partnership	cde	50.76	100.00
Proportionately Consolidated Property Owing Asscoiate Entities			
EWH Escondido Associates Limited Partnership	cdf	22.84	45.00
M-R St. Peters Limited Partnership	cde	25.38	50.00
MBM Associates - New Limited Partnership	cde	0.51	1.00
Mission Valley Partnership	cde	38.48	75.80
Owensmouth Office Associates Limited Partnership	cde	10.79	21.25
Plaza Camino Real Partnership	cde	20.30	40.00
Topanga Plaza Partnership	cde	21.32	42.00
Vancouver Mall Partnership	cde	25.38	50.00
West Valley Partnership	cde	21.57	42.50
Wheaton Plaza Regional Shopping Centre Limited Partnership	cde	34.52	68.00

Notes

a Trust
b Company - incorporated in the United States
c Partnership - formed in the United States
d Principal activity - property investment
e Business entity audited by affiliates of the auditors of the Chief Entity
f Business entity audited by other auditors

27 STATEMENT OF CASH FLOWS

	30 June 1998 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	30 June 1997 A $ Million
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts in the course of operations	**146.0**	106.1	**225.6**	137.1
Payments in the course of operations	**(60.7)**	(35.7)	**(93.8)**	(46.1)
Interest received	**7.6**	2.1	**11.8**	2.8
CASH IN/(OUT) FLOWS FROM OPERATING ACTIVITIES	**92.9**	72.5	**143.6**	93.8
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property investments and construction in progress	**(159.5)**	(211.7)	**(248.4)**	(273.5)
Payments for purchases of unlisted securities	**–**	(15.2)	**–**	(19.6)
Investment in participating mortgage loan	**–**	(145.0)	**–**	(187.3)
Proceeds from sale of investments	**99.7**	–	**154.4**	–
CASH IN/(OUT) FLOWS FROM INVESTING ACTIVITIES	**(59.8)**	(371.9)	**(94.0)**	(480.4)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of capital to Unitholders	**72.5**	130.5	**120.2**	163.0
Redemption of capital in respect of Outside Equity Interests	**–**	(130.5)	**–**	(163.0)
Issue of capital to Outside Equity Interests	**–**	299.2	**–**	386.5
Borrowings - proceeds	**70.6**	111.8	**110.6**	144.5
Interest and other borrowing costs paid	**(45.3)**	(33.6)	**(70.0)**	(43.4)
Distributions paid	**(31.1)**	(21.1)	**(40.0)**	(26.6)
Dividends and distributions paid by controlled entities to Outside Equity Interests	**(26.8)**	(17.1)	**(40.7)**	(21.8)
United States Withholding Taxes paid	**(0.1)**	(4.5)	**(0.5)**	(5.8)
CASH IN/(OUT) FLOWS FROM FINANCING ACTIVITIES	**39.8**	334.7	**79.6**	433.4
NET CASH IN/(OUT) FLOWS FOR THE PERIOD	**72.9**	35.3	**129.2**	46.8
CASH BALANCE AT BEGINNING OF THE PERIOD	**51.2**	21.3	**71.8**	26.8
Exchange gain/(losses) on cash balance brought forward at the beginning of the year	**–**	–	**(7.6)**	(0.2)
CASH BALANCE AT END OF THE PERIOD	**124.1**	56.6	**193.4**	73.4
a) COMPONENTS OF CASH				
Cash	**113.5**	45.6	**179.6**	59.4
Bank Bills Receivable	**10.6**	11.4	**13.8**	14.5
Bank overdrafts	**–**	(0.4)	**–**	(0.5)
	124.1	56.6	**193.4**	73.4

	30 June 1998 US $ Million	30 June 1997 US $ Million	30 June 1998 A $ Million	30 June 1997 A $ Million
27 STATEMENT OF CASH FLOWS (continued)				
(b) RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO EARNINGS AFTER WITHHOLDING TAX BUT BEFORE OUTSIDE EQUITY INTERESTS				
Net cash in/(out) flows from operating activities	**92.9**	72.5	**143.6**	93.8
Currency translation differences	**–**	–	**(7.8)**	(0.5)
Bad debt provision	**(0.9)**	0.4	**(1.4)**	0.5
Interest expense	**(42.6)**	(30.8)	**(65.9)**	(39.8)
United States Withholding Tax expense	**(2.5)**	(3.5)	**(3.4)**	(4.5)
Abnormal items after tax	**78.5**	–	**121.9**	–
(Decrease)/Increase in other net assets attributable to operating activities	**14.1**	6.2	**21.9**	7.9
Earnings After Abnormal Items and Withholding Tax but before Outside Equity Interests	**139.5**	44.8	**208.9**	57.4
c) FINANCING FACILITIES				
Firmly committed financing facilities available to the Group are as follows:				
Total financing facilities #	**1,810.4**	1,312.1	**2,913.9**	1,758.9
Amounts utilised	**(1,234.5)**	(974.1)	**(1,979.5)**	(1,305.7)
Available financing facilities #	**575.9**	338.0	**934.4**	453.2
Cash (see note 27(a))	**124.1**	56.6	**193.4**	73.4
Total available financing facilities	**700.0**	394.6	**1,127.8**	526.6

Financing facilities comprise:

a) term loans from banks and financial institutions in respect of specific retail property investments; and

b) bank facilities for general corporate and property redevelopment purposes.

Available financing facilities comprise term loans for general corporate and property redevelopment purposes (refer details as set out in Note 10) and undrawn bank facilities as set out below:

(i) an unsecured revolving credit facility of US$800.0 million ($1,298.1 million) (US$600.0 million ($804.3 million) at 30 June 1997), reducing to US$600.0 million ($973.6 million) on 30 June 1999, with a consortium of banks. The facility is an interest only floating rate facility maturing in May 2000 and is extendable at each anniversary date for a further period of one year. At 30 June 1998, amounts available under this facility totalled US$566.0 million ($918.4 million) (US$334.0 million ($447.7 million) at 30 June 1997).

(ii) an unsecured revolving credit facility of $16.0 million (US$9.9 million) ($6.0 million (US$4.5 million) at 30 June 1997) with a bank. The facility is an interest only floating rate facility maturing in June 1999 extendable at each anniversary date for a further period of one year. At 30 June 1998, amounts available under this facility totalled $16.0 million (US$9.9 million) ($6.0 million (US$4.5 million) at 30 June 1997).

In addition to the above financing facilities, the Group has also arranged further loan facilities to fund the acquisition of the Hahn Portfolio.

Independent Audit Report

to the Unitholders of Westfield America Trust

Scope

We have audited the financial statements of Westfield America Trust for the half-year ended 30 June 1998 being the Distribution Statement and Statement of Cash Flows for the half year ended 30 June 1998, Statement of Constitution of the Fund at that date, notes to and forming part of the Financial Statement and the Manager's Statement. The financial statements are the consolidated accounts of the economic entity comprising Westfield America Trust and the entities it controlled at the end of the half year or from time to time during the half year. The manager at the request of the trustee is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them in order for the manager to lodge the financial statements with the Australian Securities and Investment Commission.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with statutory requirements, Accounting Standard AASB 1029: Half-Year Accounts and Consolidated Accounts, other mandatory professional reporting requirements, and the provisions of the Trust Deed so as to present a view which is consistent with our understanding of the economic entity's financial position, the results of its operations and its cash flows.

The name of the entities controlled during all, or part of, or at the end of the financial period but of which we have not acted as auditor are disclosed in Note 26. We have however, received sufficient information and explanations concerning these entities to enable us to form an opinion on the consolidated financial statements.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements of Westfield America Trust are properly drawn up:

(a) so as to give a true and fair view of:

  (i) the state of affairs of the economic entity as at 30 June 1998 and its profit and cash flows for the half-year ended on that date; and

  (ii) the other matters required by Division 11 of Part 3.6 of the Corporations Law to be dealt with in the financial statements;

(b) in accordance with the provisions of the Trust Deed, dated 28 March 1996 as amended, constituting the Westfield America Trust;

(c) in accordance with the provisions of the Corporations Law; and

(d) in accordance with Accounting Standard AASB 1029: Half-Year Accounts and Consolidated Accounts and other mandatory professional reporting requirements.

Ernst & Young

B J Long
Partner

Sydney
Dated 14 August 1998

Manager's Statement

for the six months ended 30 June 1998

In the opinion of the Directors of Westfield America Management Limited as Manager of Westfield America Trust, the accompanying Financial Statements, which have been prepared in accordance with the requirements of the Corporations Law, the provisions of the Trust Deed dated 28 March 1996, as amended, applicable Accounting Standards and other mandatory professional reporting requirements, are drawn up so as to give a true and fair view of the state of affairs of Westfield America Trust as at 30 June 1998 and the results of the activities of Westfield America Trust for the six months ended 30 June 1998.

Signed in accordance with a resolution of the Directors of Westfield America Management Limited (ACN 072 780 619).

F P Lowy AO
Chairman

S P Johns
Director

14 August 1998

Statutory Statements

Additional Information for the six months ended 30 June 1998

COMMENCEMENT DATE OF THE TRUST AND LIFE OF THE TRUST

Westfield America Trust ("**Trust**") was constituted on 28 March 1996 and commenced operations on 1 July 1996. The Trust will terminate on 28 March 2076 unless sooner terminated upon the occurrence of certain events described in the Trust Deed or by law.

PRINCIPAL ACTIVITIES

The principal activities of the Trust are, through its investment in Westfield America, Inc., ("**WEA**"), the ownership and improvement of major shopping centres in the United States.

INVESTMENT AND BORROWING POLICY

(i) The policy for investment by the Trust for the time being is to invest in US retail property by means of its shareholding investment in WEA.

(ii) The Trust itself has a nominal loan facility which it utilises from time to time for working capital purposes.

INTEREST IN PROPERTY

During the six months ended 30 June 1998, neither the Manager nor any associate of the Manager held any interest in property held by the Trust or disposed of by the Trust.

VALUE OF ASSETS OF THE TRUST

The value of the assets of the Trust has changed as a result of the following transactions:

(a) a change realised on the exercise by WEA of its options over 49 million ordinary shares in Westfield Holdings Limited ("**WHL**"), as a consequence of which WEA received 20,339,066 ordinary shares in WHL, which WEA subsequently sold;

(b) changes realised on the acquisition by WEA of 100% of the Crestwood Plaza and The Promenade shopping centres;

(c) capital expenditure on properties;

(d) proceeds from the issuance by WAT of 82.2 million Ordinary Units; and

(e) since the end of the financial period, the acquisition by WEA of 50% of the Valley Fair, 100% of the University Towne Center and 60% of the Independence Mall shopping centres.

Further information in respect of the above is set out in Notes 4 and 5 of the Consolidated Financial Statements.

UNITS HELD BY MANAGER OR ITS ASSOCIATES

As at 30 June 1998, the Manager beneficially held 100 ordinary units in the Trust, and associates of the Manager held 291,712,336 ordinary units and 226,641 Partly Paid Units in the Trust.

FEES AND CHARGES PAID TO THE MANAGER OR ITS ASSOCIATES

Fees and Charges paid to the Manager or its associates in relation to the affairs of the Trust during the six months ended 30 June 1998 are as follows:

	A $Million
Manager's Service Charge	Nil
Advisory Fee	4.6
Real Estate Management Fees	9.4
Construction Costs and Architects' Fees	28.9
Reimbursement of expenditure	12.6

REVENUE ATTRIBUTABLE TO UNITHOLDERS OF THE WESTFIELD AMERICA TRUST

	Cents per unit
Revenue per Unit	15.18
Earnings before Withholding Tax, Abnormal items and Manager's Service Charge per Unit	5.11
Cash distribution per Unit	4.60

The weighted average number of units used in the calculation of earnings per unit is 822,816,522 units.

Trustee's Report

for the six months ended 30 June 1998

The Financial Statements for the six months ended 30 June 1998 have been prepared by Westfield America Management Limited under delegation by us.

The auditor of the Westfield America Trust (the "Trust"), Ernst & Young, (the "Auditor") who has been appointed by us in accordance with the Trust Deed has conducted an audit of these Financial Statements.

A review of the operations of the Trust and the results of those operations of the six months is contained in the Manager's Report.

Based on our ongoing program of monitoring of the Trust and the Manager and our review of the Financial Statements we believe that:

(i) the Trust has been conducted in accordance with its stated investment policies, the Trust Deed as amended and Prospectus; and

(ii) the Financial Statements have been appropriately prepared and contain all relevant and required disclosures.

We are not aware of any material matter or significant change in the state of affairs of the Trust occurring up to the date of this report that requires disclosure in the Financial Statements and the notes to them that has not already been disclosed.

BUY-BACK PROVISION

The Trust Deed and the Corporations Law specifically requires the Trustee to supervise the making and maintaining of adequate buy-back arrangements by the Manager and to monitor the maintaining of such arrangements and the extent of compliance with the buy-back covenant.

The Manager's covenant in the Trust Deed to buy-back Trust units is suspended whilst the units remain listed on the Australian Stock Exchange.

The Trust Manager intends that the Australian Stock Exchange listing of Trust units will, at all times, be maintained. As at the date of this statement, whilst the units of the Westfield America Trust remain listed, no buy-back arrangements are necessary.

Roy Sider
For and on behalf of
Perpetual Trustee Company Limited
(A.C.N. 000 001 007)

Sydney, 14 August 1998

Stock Exchange Information

Twenty Largest Ordinary Unitholders as at 14 August 1998

The percentage of the total holding of the 20 largest ordinary unitholders in the Trust is 70.93% as at 14 August 1998.

		No. of Ordinary Units	% of Issued Ordinary Units
1	WestUS Pty Limited	163,023,111	18.02
2	Cordera Holdings Pty Limited	67,572,059	7.47
3	Westpac Custodian Nominees Limited	64,701,879	7.15
4	Westfield US Investments Pty Limited	45,284,198	5.01
5	Chase Manhattan Nominees Limited	41,680,831	4.61
6	MLC Limited	34,048,712	3.76
7	AMP Life Limited	33,536,129	3.71
8	Perpetual Trustees Australia Limited	31,822,187	3.52
9	National Nominees Limited	29,631,895	3.28
10	Permanent Trustee Australia Limited	18,522,612	2.05
11	Permanent Trustee Australia Limted	17,998,629	1.99
12	Zurich Australia Limited	17,395,573	1.92
13	Perpetual Trustees Victoria Limited	11,566,948	1.28
14	Queensland Investment Corporation	11,375,793	1.26
15	Permanent Nominees (Aust) Limited	11,111,851	1.23
16	Permanent Trustee Australia Limited	9,287,697	1.03
17	Citicorp Nominees Pty Limited	8,928,464	0.99
18	Perpetual Trustee Company Limited	8,818,881	0.97
19	FSS Trustee Corporation	7,794,693	0.86
20	Perpetual Trustee Company Limited	7,433,241	0.82
		641,535,383	70.93

SPREAD OF ORDINARY UNITHOLDERS AS AT 14 August 1998

Holding	No. of Unitholders
1–1,000	316
1,001–5,000	3,498
5,001–10,000	1,529
10,001–100,000	1,808
100,001 and over	200
Total number of Ordinary unitholders	7,351

192 ordinary unitholders hold less than a marketable parcel. There is one holder of the Special Options. Unitholders are entitled to one vote per unit held. The holder of the Special Options has no right to vote at a meeting of unitholders.

DIRECTORY

MANAGER OF THE TRUST

Westfield America Management Limited
ACN 072 780 619

REGISTERED OFFICE

Level 24, Westfield Towers
100 William Street
Sydney NSW 2011
Telephone: (02) 9358 7000
Facsimile: (02) 9358 7881

DIRECTORS OF WESTFIELD AMERICA MANAGEMENT LIMITED

Frank P Lowy, AO, Chairman
Frederick G Hilmer, AO, Deputy Chairman
Robert A Ferguson
David M Gonski
Stephen P Johns
David H Lowy
Peter S Lowy
Steven M Lowy
Dean R Wills, AO
Carla M Zampatti, AM

SECRETARY

Craig van der Laan de Vries

GENERAL MANAGER

Victor P Hoog Antink

INVESTOR RELATIONS MANAGER

Christine M Godfrey

AUDITORS

Ernst & Young
The Ernst & Young Building
Level 16, 321 Kent Street
Sydney NSW 2000

TRUSTEE

Perpetual Trustee Company Limited
(ACN 000 001 007)
39 Hunter Street
Sydney NSW 2000

INVESTOR INFORMATION

For enquiries about your investment, ring or write to:
Investor Relations Department
Westfield America Management Limited
Level 24, 100 William Street
Sydney NSW 2011
Telephone: (02) 9358 7459
Facsimile: (02) 9358 7881
Freecall: 1800 689 393

UNIT REGISTRY

For enquiries related to the register, ring or write to:
Corporate Registry Services Pty Ltd
(ACN 078 279 277)
Level 3, 60 Carrington Street
Sydney NSW 2000
Telephone: (02) 8234 5222
Facsimile: (02) 8234 5050

LISTINGS

Westfield America Trust
WFA on Australian Stock Exchange

Westfield America, Inc.
WEA on New York Stock Exchange